

# National Municipal Review

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NATIONAL MUNICIPAL LEAGUE

# The League's Business

## League Holds Annual Election

The League's annual business meeting for the election of officers was held at the close of the dinner session of the Annual Conference on Government in St. Louis on November 18. The report of the Nominating Committee, composed of Carl H. Pforzheimer, Chairman, E. A. Cottrell, Clarence E. Francis, George H. Gallup, and Herman C. Loeffler, was presented by Mr. Loeffler, as follows:

For *President*: John G. Winant, Ambassador to Great Britain

For *Members of the Council*: (\* indicates new member)

Richard S. Childs, New York City, *Chairman*

\*George Arents, Jr., Rye, Westchester County, New York

\*Carter W. Atkins, director of the Governmental Research Institute, Hartford

\*James L. Beebe, civic leader, former president of Los Angeles Chamber of Commerce

\*Frederick L. Bird, director of municipal research, Dun & Bradstreet

R. J. Colbert, University of Wisconsin

Philip Cornick, Federal Housing Administration, Washington, D. C.

John Cowles, president of the *Minneapolis Star-Journal*, director of The Associated Press

\*Karl Detzer, roving editor of *The Reader's Digest*

Harold W. Dodds, president of Princeton University

Rev. Edward Dowling, S.J., *The Queen's Work*, St. Louis

Harry Drackett, president of Cincinnati City Charter Committee

C. A. Dykstra, president of the University of Wisconsin

Clarence Francis, president of General Foods Corporation, formerly commissioner of finance, Bronxville, New York

\*Arnold Frye, attorney, New York City

George H. Gallup, director of the American Institute of Public Opinion

\*Albert W. Hawkes, president of the United States Chamber of Commerce

Robert C. Hendrickson, member of the New Jersey Senate

C. G. Hoag, Philadelphia, trustee of the C. F. Taylor Trust, honorary secretary of the Proportional Representation League

Robert W. Johnson, chairman of Johnson and Johnson, former mayor and councilman of Highland Park, New Jersey

\*Francis V. Keesling, civic leader and chairman of Board of Freeholders which drafted San Francisco's present charter

Ralph B. Maltby, president of the St. Regis Paper Company, finance commissioner of Bronxville, New York

Mark Matthews, immediate past president of the United States Junior Chamber of Commerce, formerly head of the legislative division of the New York City Corporation Counsel's office

\*Mrs. Eugene Meyer, Washington, D. C., and Mt. Kisco, New York

Anne M. Mumford, executive secretary of the John Randolph Haynes and Dora Haynes Foundation, Los Angeles

\*John Nuveen, Jr., president of John Nuveen & Company, Chicago

Fred N. Oliver, general counsel for the National Association of Mutual Savings Banks

\*Thomas I. Parkinson, president of the Equitable Insurance Company

Frank L. Polk, attorney, New York City



Lawson Purdy, president of the Russell Sage Foundation, New York City

Murray Seasongood, former mayor of Cincinnati

\*Henry L. Shattuck, member of city council, Boston; senior fellow of President and Fellows of Harvard University

Harold E. Stassen, Governor of Minnesota

Norman S. Taber, New York, consultant on municipal finance

Henry M. Waite, Washington, D. C., former president of National Municipal League

Russell E. Watson, attorney and civic leader, New Brunswick, New Jersey

H. B. Wells, president of Indiana University

\*Richard Weil, Jr., president of L. Bamberger & Company, Newark; active in New Jersey governmental improvement efforts

For *Honorary Vice Presidents*:

Charles A. Beard, historian, New Milford, Connecticut

H. L. Brittain, managing director of the Toronto Bureau of Municipal Research

Henry Bruere, New York, treasurer and trustee of Institute of Public Administration

Charles C. Burlingham, former president of New York Board of Education

Harold S. Buttenheim, New York, editor of *The American City*

Harry Woodburn Chase, chancellor of New York University

John N. Edy, assistant administrator of Federal Works Agency, Washington

Samuel S. Fels, Philadelphia, trustee of the C. F. Taylor Trust

Mayo Fesler, director of the Citizens League of Cleveland

Russell Forbes, commissioner of purchase, New York City

A. R. Hatton, Northwestern University

Frank O. Lowden, Sinnissippi, Illinois

Seabury C. Mastick, Pleasantville, N. Y.

Charles E. Merriam, University of Chicago

Frank H. Morse, Lehman Brothers, New York

William E. Mosher, dean of the Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University

William B. Munro, California Institute of Technology

Chester H. Rowell, San Francisco *Chronicle*

Miss Belle Sherwin, Willoughby, Ohio, formerly president of the National League of Women Voters

Mrs. F. Louis Slade, New York City

Charles P. Taft, assistant director of the Office of the Defense Health and Welfare Services

Lent D. Upson, director of the Detroit Bureau of Governmental Research

Richard Welling, New York, director of the National Self-Government League

The nominating committee reported that President Winant accepted the nomination for president again this year on condition that matters of immediate concern which ordinarily would be determined by the president be dealt with by a small steering committee to which he could delegate such presidential authority as might be necessary and desirable, such committee to be composed of the following men with possible additions from time to time to be designated by the president: George H. Gallup and Clarence Francis, members of the Council, and Carl H. Pforzheimer, treasurer of the League.

The committee's report was adopted unanimously.

HOWARD P. JONES, *Secretary*

# National Municipal Review

## Editorial Comment

### The Conference at St. Louis

**I**T WILL profit us little to save democracy in the world unless we keep it working soundly at home. It is particularly reassuring, therefore, in the midst of wars and alarms, to find such a robust concern over local, county, and state government as was demonstrated at the National Municipal League's recent National Conference on Government at St. Louis.

The conference was the best attended of all those held annually for the last forty-seven years. Educators, researchers, civic leaders, public officials, journalists and others gathered from as far away as both sea coasts and from our most northern and most southern states. The meetings of the National Association of Civic Secretaries and the Proportional Representation League, which were held at the same time, also were unusually well attended.

From the time Immediate Past President C. A. Dykstra opened the conference with an address at luncheon November 17 until the gavel fell on a dinner meeting the evening of November 19 at which a Missouri state committee on constitutional revision was organized, there was a rich feast of information and opinion. Noteworthy was the greater than ordinary tendency of the audiences to participate freely in discussions.

The annual dinner, which Ambassador John G. Winant, the League's president, addressed by radio from London, and which Dr. George H. Gallup, director of the

American Institute of Public Opinion, and Miss Caroline Haslett, chairman of the British Association of Business and Professional Women, addressed in person, was attended by a capacity crowd of six hundred, with many being turned away. Other hundreds failed to find places at the three luncheons.

During the three days speakers and participants numbered 180 at the seventeen sessions, some of which ran concurrently. There was a total attendance at all sessions of about 4,700 persons, many of whom were, of course, "repeaters." The heavy attendance from St. Louis and the surrounding area was due largely to the leadership and activity of the local committee on arrangements.

To measure the potential accomplishments of a conference such as this is difficult. Frequently years pass before many of the seeds sown come to fruition. But beneficial results already have been felt in Missouri and elsewhere and unquestionably will extend their influence widely. Many of the addresses at the conference will be published in the NATIONAL MUNICIPAL REVIEW, beginning with the January issue.

History's penchant for repeating itself is indicated by the aptness with which the opinion of the committee in charge of the League's first conference in January of 1894 applies to this year's conference. In the introduction to the proceedings of the



first conference, the committee wrote:

The conference was successful from every point of view: it awakened renewed interest in the subject and effectively increased the zeal of those already engaged in the work; it aroused from indifference and apathy those who had heretofore considered the municipal problem as one of small importance; it brought the subject of needed reforms forcibly before the

minds of those who [attended] . . . ; it showed that the subject is actually receiving careful study and earnest attention from our ablest and foremost citizens; it has created that *esprit de corps* among the workers that will be a source of inspiration and strength; and it has given a substantial impetus to the cause in . . . every city where the evils of municipal maladministration have arrested the attention of its citizens.

## Local Offset for National Debt

NOW that we are deeply involved in a "shooting war," it is more necessary than ever that local, county, and state governments forego every activity possible which uses man power and materials and that they move positively to put their financial houses in order. To take this situation as an excuse for new spending and new debt by seeking to make old pet projects look essential for the defense of the country will be to invite future disaster.

Large scale spending by the federal government is inevitable. Taxes will increase but not enough to prevent an unprecedented growth of federal debt, possibly to proportions which might make it difficult for Washington to carry out the postwar program now planned to make easier the return to a peace-time economy.

Even before we were in the war, defense expenditures were one and a half billion dollars a month. Soon they will reach two billions. This large sum, twice as great as the total tax collections per month for the purposes of all governments in the United States in 1940, means that

the federal government will borrow larger and ever larger amounts. How high the national debt will go is anyone's guess. Nothing can stop it but the removal of the need for the defense program.

The ideal condition would be for local, county, and state governments to keep pace—in reverse!—with this changing debt picture. It will be remembered that local debt declined or remained static during the first World War and that local public works were considerably curtailed and postponed. During the post-war period, however, when the federal government was reducing debt, debts at other levels of government were increasing. Thus some degree of balance was maintained, as it should be now. The taxpayers who contract debt as citizens of the nation are the same as those who contract debt as local, county, and state citizens. They would be wise to emulate the example of the farmer whose family goes without a new car the year he buys a new tractor.

Fortunately, the general trend of  
(Continued on Page 713)

# Shall We Tax Government Bonds?

## Yes

By EDWARD H. FOLEY, JR.

*General Counsel  
United States Treasury Department*

**I**N EARLIER days, when conditions were much simpler and the tax load much lighter, and before the income tax was universally recognized as one of the most just means for distributing the costs of government, it was a common practice for government to issue its own obligations freed from the burden of taxation. It was in the mental climate of these earlier days that there grew up the rather uncritical assumption, translated into judicial decisions, that our federal system of government impliedly required, though the constitution did not say so, a reciprocal immunity from taxation on the income of obligations of the federal and state governments respectively.

The increasing amount of wealth withdrawn from the taxing power of the nation and the states and the dislocation this has wrought to public finance, as well as the unfair consequences of these immunities when judged by present standards of social justice, have led statesmen and economists to insist on the necessity of calling a halt to the practice. With practical unanimity they declare that such a procedure is no longer justified either by economics or good morals. Every administration, Republican as well as Democratic, from President Wilson to President Roosevelt, has reported to Congress the

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## No

By HENRY EPSTEIN

*Solicitor General, State of New York  
and Chairman  
Conference on State Defense*

**F**OR the past three years state and municipal officials have been successful in their opposition to a federal tax on state and local securities. Before discussing the reasons for such opposition, let us consider the political ideal of local self-government and why it is worth fighting for.

This country was settled at different times, by different peoples. Their forms of local government were varied and were suited to their respective manners and customs. Despite these differences there were deep political beliefs common to the people who considered themselves Virginians, Pennsylvanians, or New Englanders. Among these were an unyielding desire for self-government and a passionate resentment of arrogant central government, administered from outside their borders.

It is familiar history that this hatred of centralized government was carried over into the Articles of Confederation. They declared, "each state retains its sovereignty, freedom and independence, and every power, jurisdiction and right which is not by this Confederation expressly delegated to the United States in Congress assembled."

And even when the compelling necessities of national defense brought about the adoption of the constitution, not one of the states was willing



to sacrifice its sovereignty and independence in local affairs. The love of local government ran strong and the dangers of centralization were understood far better than they are today.

The powers not delegated to the United States by the constitution nor prohibited by it to the states, are reserved to the states respectively, or to the people.

In those summary words of the Bill of Rights the Fathers emphasized their determination to be free from the ubiquitous finger and arbitrary will of a centralized government. And in that document they trusted for protection against the totalitarianism they so greatly hated and feared.

Yet the states and cities are convinced today, as they have been for one hundred and fifty years, that federal taxation of local bonds threatens their sovereignty and independence in local affairs. They are convinced that it would inevitably lead to complete federal control of the fiscal powers of local government. They are convinced that it would increase local taxes, that it would produce no substantial federal revenue for years to come, and that the much publicized theory of tax evasion through exempt securities has been grossly exaggerated. Finally, they are convinced that such a disturbance of federal-state relations at this time would not assist but would hamper the national defense effort.

Efforts to obtain federal control of state financing have been going on in one form or another for the past twenty years. But in May of 1938 the drive to tax state and mu-

nicipal bonds took the form of a concerted and well publicized effort of the Treasury Department.

#### Local Officials Organize

State and municipal officials were quick to see its dangers. They immediately coordinated their efforts in opposition to the proposal through the organization of the Conference on State Defense. The united and, so far, successful opposition of the states and cities through that organization is a commentary on the ability of organized state and local officials to defend and maintain local government today even against the most powerful federal attacks.

The Conference on State Defense functions through a committee of state and municipal officers who direct its policies and activities. It is staffed by a small group of young lawyers and economists who are assigned to the work by state agencies and who receive no salary or other compensation from the conference. The cost of the conference's activities has been defrayed by the states, by state agencies, and by the cities themselves. The conference has undertaken the necessary legal and economic research, has prepared briefs, and has presented the case for local government before Congressional committees.

But in a real sense the defeat of this proposal before the Seventy-Sixth Congress and, so far, before the Seventy-Seventh, has been the victory of the states and cities themselves and of the men who represent them. When this proposal was beaten on the floor of the Senate in September 1940, it was because the local

viewpoint had been explained to each of the sixty Senators who voted against it by men in each Senator's own state whom he knew and whom he trusted in their capacity as local officials.

The plausible excuses which are offered by the Treasury in support of its assertion of federal power to tax the interest paid by local government on its bonds are appeals to "mob propaganda." Those excuses ultimately come down to two basic arguments: that local securities offer a haven of tax refuge for the wealthy, and that their immunity impedes "national defense."

The disarming simplicity of this tax evasion argument is its most dangerous feature. It is only too easy to embellish the argument with indignant reference to "million-dollar tax-free incomes." On the other hand, its refutation requires detailed consideration of the real facts, and realities have a stubborn way of insisting upon their own complexity.

Of course, everyone who purchases an exempt security pays a tax to the issuing government since he accepts a lower interest yield. The Treasury has to admit that the citizens of a county pay a much lower interest rate on their county bonds because of their immunity from federal taxation. But they point out that, because of the high surtaxes on large incomes, the very wealthy get a greater tax benefit through their ownership of such bonds than do bondholders in the middle income brackets. They say that this disturbs the ideal of "progression" in the tax system, and they have declared their

holy war against the states and counties and cities with the resounding, if somewhat demagogic, war cry of "soak the rich," and with Treasury propaganda releases which have actually sunk to the level of describing "millionaires lolling on the Florida beaches clipping tax-exempt coupons."

### Little Tax Exemption

Now the truth is that only a very small proportion of tax-exempt securities are really in the hands of persons of great wealth. The overwhelming majority of these bonds are to be found in public trust funds, sinking funds, banking reserves, insurance companies, and in other depositories which are not affected at all by high personal surtaxes. The Secretary of the Treasury himself reported early this year that of the increase in the public debt since 1933, 46 per cent was absorbed by banks, 18 per cent by insurance companies, and only 11 per cent by individuals and non-financial corporations. The same report points out that in 1935 the absorption of government securities by banks and insurance companies was nearly equal to the total increase in public issues. And the Secretary of the Treasury concludes:

This institutionalization of investment has been one of the significant phenomena that has been noted in the capital markets. Individuals and non-financial corporations appear to have preferred to place their funds available for investment in bank accounts and insurance policies, instead of undertaking directly the investment of these funds in securities.



In my opinion that conclusion is in flat contradiction of the Treasury's argument that the bonds of states and local governments are being made the instruments of wholesale tax evasion.

Again, studies of the Treasury's estate tax records show that an average of only 5.63 per cent of the capital in large estates has been invested in state and local securities, while 50 per cent of the capital in such estates was invested in corporate stocks and bonds. So conclusive are these facts, as contrasted with the Treasury releases about "Florida millionaires," that one of the Treasury's own witnesses was forced to admit before the Senate Committee that:

As study of the composition of estates of rich decedents shows, our wealthy men still keep the major part of their wealth in common stocks. Tax-exempt bonds never gave anyone control over an enterprise. And the power and the opportunities for capital gain that inhere in common stocks are not to be surrendered lightly—even for a substantial tax saving—by the men who can afford to own them.

More recently and, as it were, shifting its argument to the prevailing winds, the Treasury has discovered that the federal government should tax local bonds in the interests of "national defense." We must first observe that the Treasury says that they only wish to tax *future* issues of local securities, and that everyone concedes that no substantial federal revenue could be obtained from taxing *future* issues for at least thirty or forty years, that is, until the pres-

ent outstanding securities were replaced by taxable issues.

#### Local Governments and Defense

Furthermore, national defense calls for the fullest coöperation of federal and local governments. It requires the strengthening rather than the burdening of local credit. Local government is being called upon to provide roads, protection, water, and many other emergency governmental services in the furtherance of the defense program. Thus, in an article on county government in the *Municipal Year Book*<sup>1</sup> for 1941, Paul W. Wager, associate professor of political science at the University of North Carolina, says:

The first call on highway funds will be to improve certain primary roads designated as military roads. . . . Numerous counties will spend large sums building or enlarging airports. Additional armories will probably be built. A new emphasis will be put on vocational and industrial training. There will be additional housing projects, particularly for defense workers. . . . There is even a probability that there will be borrowing and an increase in public debt.

Nothing would prove of greater injury to this defense coöperation than for the federal government to tax local bonds, to increase local interest costs and, at this time, to press an issue which has been a source of irritation between the federal government and the states for the past twenty years. As Mayor F. H. LaGuardia of New York said a short time ago—and in this con-

<sup>1</sup>International City Managers' Association.

nection we may bear in mind that he is chairman of the Joint Board of Defense of the United States and Canada:

As long as we have our system of dual government, and we will have it for a long time, then I say that there should be complete co-operation and understanding between all subdivisions of government and that this is no time for the federal government to cause irritations by seeking to tax municipalities and other subdivisions of the state. . . . The idea of taxing these securities might have been thought of one hundred and fifty years ago. But it wasn't. It was quite clear then that one government shouldn't tax the other. And now, of all times, is the wrong time to make a change.

So much for the Treasury's side of the case. The fiscal and economic arguments of local government in opposition to the proposal may be summed up as follows:

Federal taxation of the income of state and municipal securities will result in an immediate increase in local interest rates. This result is certain: it will be directly imposed upon local treasuries, and it is so substantial that in many cases it will threaten municipal bankruptcy. This is the unanimous opinion of all experts, even those of the Treasury Department itself. The Comptroller of New York said that New York State securities would have to absorb an interest increase of  $\frac{3}{4}$  of 1 per cent, and he estimated that in the case of securities of lower credit standing the increase would be well over one full percentage point. The Comptroller of the City of New York stated that that city would be forced to increase

its interest rate by  $\frac{7}{8}$  of 1 per cent to  $1\frac{1}{4}$  per cent, which would cost the people of New York City an additional \$18,500,000 a year in municipal taxes. Bear in mind that these figures mean an increase in the cost of local financing ranging from 20 per cent to 50 per cent.

Mr. Jesse Jones confirms the foregoing estimates by insisting that state or local bonds purchased by the RFC contain a provision automatically increasing the interest rate by  $\frac{3}{4}$  of 1 per cent if, during the life of the bond, it should be taxed by the federal government.

State and local officials welcomed the issuance of the first taxable  $\frac{3}{4}$  per cent five-year United States Treasury notes in December 1940, as it offered the first actual test of the question of increased cost. Unlike Treasury bonds, the interest on which was only partially exempt, Treasury notes had always enjoyed complete exemption. When the taxable  $\frac{3}{4}$  per cent notes were offered at a cost of .75 per cent to the government, there were similar exempt notes outstanding selling to yield .44 per cent. The *New York Times*, commenting on the new issue, said:

If the new notes had been issued tax-free, as usual, the rate necessary would have been  $\frac{1}{2}$  per cent, the taxable feature making the difference of  $\frac{1}{4}$  per cent in annual interest.

Here we find the Treasury paying almost 50 per cent more on short term borrowing because the notes were taxable.

These conclusions are not merely harbingers of increased cost, they go to the very power of local government



to finance itself at all and to continue as autonomous government.

Up to the present, as has already been pointed out, Congress has recognized the soundness and propriety of state and local opposition and has repeatedly rejected the Treasury's recommendations.

### Now a Judicial Fight

In January of this year the Treasury again renewed its efforts: first, to have the House Ways and Means Committee include federal taxation of municipal bonds in the debt limitation bill. Rebuffed by the committee in this move, the Treasury then prepared a draft of a statute dealing solely with this issue, and finally attempted to have the proposal included in the general tax revision bill of 1941. It was thereupon advised by Congressional leaders that further attempts to push the issue would invite a Treasury defeat not only in the committee but on the floor of the House.

The Treasury has now opened the fight also on the judicial front. Rebuffed for the time being by Congress, it turns to the courts and seeks what would amount to judicial amendment to the constitution. On March 14 the Secretary of the Treasury called in the press and read a statement which opened as follows:

The Bureau of Internal Revenue tonight began a test action intended ultimately to prove in the courts that the federal government has the right under the constitution to tax the income from state and municipal securities.

Its first step was to send notices of deficiency to seven bondholders of the Port of New York Authority.

In order that we may understand the significance and objectives of this "about-face" in the Treasury's attack on state and local bonds, it is necessary to consider briefly the constitutional and statutory basis of the doctrine that, under our governmental system, the federal government has no power to tax the interest paid on the bonds of the states or state agencies.

The Supreme Court has consistently recognized the necessity, under our constitutional system, of protecting the federal government from taxation by the states and the states from taxation by the federal government. This doctrine of "reciprocal immunity" arises out of the very concept of American constitutional government as a federated unity of forty-eight independent and interdependent commonwealths.

In 1894 Congress attempted to tax state and municipal bond interest. In 1895, in the case of *Pollock v. Farmers' Loan and Trust Company*, the Supreme Court held such a tax to be unconstitutional, saying that:

The instrumentalities employed by the states in execution of their powers are not subjects of taxation by the [federal] government . . . ; and any tax imposed directly upon interest derived from bonds issued by a municipal corporation for public purposes, under the authority of the state whose instrumentality it is, is a burden upon the exercise of the powers of that corporation which only the state creating it may impose.

In affirmation of this cardinal constitutional doctrine, Mr. Justice Stone has more recently said that "this Court has repeatedly held that

those agencies through which either government immediately exercises its sovereign powers are immune from the taxing power of the other."

The test cases now brought against the Port of New York Authority and the Triborough Bridge Authority are avowedly an attempt to persuade the Supreme Court to reverse the whole doctrine of reciprocal immunity as enunciated in the *Pollock* case.

### Consequences of Reversal

If the Treasury is successful in these cases, that will be the end of the constitutional immunity of state and municipal bonds, because the Court will have established the right and power of the federal government to tax the borrowing power of local government. And let's not fool ourselves, the power to tax our local borrowing is the power to control the financing of local government, and so to control local government itself.

The states and cities will continue their coöperation throughout the presentation of the Port Authority and Triborough Bridge Authority cases in the courts. But the serious consequences of federal taxation of local governments and the determination that the tenth amendment, with its guarantee of the continued sovereignty of the states, shall not be scrapped, must be made manifest by the efforts, the voices, and the recorded convictions of all who are interested in the preservation of our dual system of government.

In America the panacea of centralizing all our governmental machinery

in the District of Columbia is not a new phenomenon. No one questions the fact that we have to take, and are taking today, a broader view of the functions of the federal government. But that in itself is the more compelling reason why we should approach the problem of the expansion of federal powers with the knowledge of what has happened in the past and what is happening elsewhere today. It is the more compelling reason why we should stop and consider the spheres that our democracy, and indeed the American spirit itself, reserves to the individual and his local government. If we can do this, and do it wisely, we shall be able to add to the necessary powers of the federal government and yet avoid the dangers of concentrated power and a totalitarian state.

The fight which state and municipal officers throughout the country have waged for the past several years against this federal attempt to tax and to control local financing, is the battleground upon which we shall settle the issue of complete centralization versus continued local self-government. At the close of the Senate debate in September 1940, Senator Austin of Vermont, who had in many respects been the leader of the fight on the Senate floor, said that if the people only understood the real issue which had been fought out in the Senate they would have understood why, so far as concerned the future form of American government, it was the most vital and important issue that had come before the Senate in the Seventy-Sixth Congress.



## SHALL WE TAX GOVERNMENT BONDS?—YES

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growing evils of tax-exempt securities.

The immunity from reciprocal taxation of the income from federal and state obligations cannot today be deemed essential or even needful to the maintenance of our federal system. In no other federal system is such immunity recognized. Although the income tax has been widely adopted, tax-exempt securities are peculiarly an American problem.

The decisions of the Supreme Court of the United States on which such immunity rests were made before the inter-relation of nondiscriminatory federal and state income taxes was fully understood. The legal reasons originally assigned to justify such immunity cannot stand in the light of experience and cannot be reconciled with the reasoning of the court in later cases. As Secretary of the Treasury Mellon, in his annual report for the fiscal year ended June 30, 1925, stated: "Looking at the proposition logically, there is no reason for the existence of tax-exempt securities. There ought to be no refuge to which the wealthy men can go and avoid income taxes when the federal government needs the money."

On April 25, 1938, and again on January 19, 1939, the President laid before Congress his statement that a fair and effective income tax and a huge perpetual reservoir of tax-exempt bonds could not exist successfully side by side. He recommended that private income from future issues of government securi-

ties be made subject to the general federal and state income tax laws.

The Ways and Means Committee of the House of Representatives held extensive public hearings during the summer of 1939 on the terminating of tax-exempt securities. A special Senate committee also studied the subject.

The report of the Ways and Means Committee has not yet been made. On September 18, 1940, however, the special Senate committee recommended by a vote of four to two that: (1) the income of all future bond issues of the United States, or any of its agencies, should be subject to both federal and state income tax laws, and (2) the income from future issues of state and municipal bonds should be subject to the income tax laws of the federal government.

The first part of the recommendation has already been acted upon favorably so far as federal income taxation is concerned. At the beginning of this year Congress enacted the Public Debt Act of 1941 which subjected all bills, notes, and bonds of the United States, or any of its agencies, issued after February 28, 1941, to federal income taxation. The fact that the federal government is not hesitant about issuing fully taxable securities, at a time when it faces the greatest financing program in the history of the nation, is the best possible assurance that states and municipalities need not fear embarrassment to their credit when the second part of the recommendation is carried into effect.

Before the income tax came into use, progressively graduated in ac-

cordance with ability to pay, the existence of tax-exempt securities presented no very serious problem. It was the common practice of most governments to sell their securities free from tax. What governments lost in taxes, they more than made up in the higher prices and lower yield they obtained in the sale of their bonds. Under such circumstances the reciprocal immunity of state and federal bonds from taxation caused no great inconvenience or loss of revenue to, or any real inequity in, the taxing systems of either the federal or state governments.

In the early decades of the republic, when the states were extremely jealous of the powers of the federal government and there was fear of discriminatory taxation against the federal government, there might have been some practical advantage in recognizing a general reciprocal immunity from taxation of both federal and state obligations. This avoided the need of judicial examination of numerous state tax laws for determining delicate questions of discrimination. At a time when government bonds were almost invariably free from the taxing power of the issuing government, taxation of federal obligations by the state and of state obligations by the federal government might have been regarded as *prima facie* discriminatory.

But the situation is wholly different today. As progressive income taxes are coming more and more to be relied upon as sources of governmental revenues, it is becoming less and less common for governments to make their own bonds wholly free

from their own taxing power. It is generally recognized that the principle of progressive taxation simply cannot be reconciled with the existence of tax-exempt securities.

Since it can no longer be regarded as an essential or customary characteristic of a government obligation that it be free from the taxing power of the issuing government, the question of reciprocal immunity from taxation obviously requires re-examination in light of the altered facts of government finance. General income taxes cannot be regarded as *prima facie* discriminatory against the holders of government obligations, federal or state.

#### Tax-Exempt Privileges Unsound

As a matter of fact there are few informed students of public affairs who would today attempt to justify the issuance of completely tax-exempt securities or the immunity of federal and state securities from reciprocal nondiscriminatory taxation. It has been suggested, however, by a well known New York municipal bond attorney, apparently in all seriousness, that if tax-exemption privileges are eliminated, "the states would cease to be sovereignties and would become mere geographical subdivisions, existing at the will and for the convenience of the federal government," and that the effect would be "to abandon the fundamental concepts upon which the United States was founded."

Such fancied fears are wholly unwarranted. It has been demonstrated repeatedly that tax-exempt privileges are economically unsound



and politically unnecessary. Economists generally have regarded tax-exempt privileges as wholly inconsistent with any rational system of progressive taxation. Moreover, it is inexplicable to many rank and file Americans that, while they pay heavy income taxes on their earned income, others of their countrymen grow steadily richer from investments in state and municipal bonds without being subject to income taxes on the interest received from such bonds.

This is the kind of sentiment which undermines national unity, and this in turn undermines national defense, for taxation is an essential part of defense. The nation needs, as Secretary of the Treasury Morgenthau has said, "all out" taxation to support "all out" defense.

The defense program must be paid for sooner or later by the taxpayers of the United States. To the extent that the national government issues bonds, the taxpayer's burden is postponed. Ultimately, however, the principal of and interest on those bonds will be paid from money raised by national taxation. And if any class of citizens is then beyond the reach of the national taxing power, other citizens must assume the burden of providing the money necessary.

The people of this country are ready and willing to bear the burdens of national defense. But these burdens must be distributed equitably.

Reciprocal tax-exempt privileges, which were originally conceived to strengthen government finance and to protect the federal system, are today viewed by the Treasury as a serious menace to the fiscal systems of both

the states and nation. The states and the nation alike are deprived of revenues which could be raised from those best able to supply them. Neither the federal government nor the states receive any adequate, compensating advantage for the immunity from reciprocal taxation accorded their obligations.

#### Claims of Proponents

The propaganda against the elimination of the tax-exempt privilege apparently proceeds on the theory that if a statement is repeated often enough people will believe it. As examples, there may be cited at least three stereotyped assertions.

The first such assertion is that considerations of tax equity are unimportant because not many people are involved; that the individuals to whom government securities afford opportunities of tax saving are few.

The fact is, however, that anyone with a net income of more than \$10,000 can derive a net tax advantage from buying wholly tax-exempt securities. In 1939 there were nearly 200,000 such persons specifically recorded by the income-tax statistics. There are, of course, many others not recorded in these statistics, because many individuals do not report their holdings of tax-exempt securities. But we do know that some individuals with small taxable incomes have large tax-exempt security holdings. One special analysis, for instance, revealed that in 1934, thirty-three individuals who reported less than \$5,000 of net income received tax-exempt interest ranging in amounts from \$100,000 to \$1,000,-

000. In other words, tax-exempt securities can—and do—afford opportunities of tax avoidance, not only to the 200,000 individuals with taxable incomes over \$10,000 but to a substantial number of others whose taxable income is but a minor part of their actual income.

Mayor LaGuardia of New York has said that these comparisons are "wild and cockeyed." They are, of course, simple arithmetic. The Mayor is fighting the multiplication table.

Clearly the existence of 200,000 taxpayers who reported over four and one-half billion dollars of net income for 1939, or about one-fifth of the total income reported on individual income-tax returns, and the existence of an unknown number of other taxpayers also in position to gain by tax-exemption, constitutes a serious threat to the progressive character of the income tax. Tax-exemption in those cases amounts to nothing less than a vicious form of subsidy.

A second stereotyped statement given wide currency is this: the value of this tax-exemption is so important that its removal will prevent small towns from borrowing altogether because these small governments have no credit and their securities are bought only for the tax-exemption privilege. The supply of tax-exempt securities of state and local governments now outstanding (amounting at the present time to nearly twenty billion dollars in aggregate principal amount) is very much greater than the demand for them on the part of those interested in tax-exemption; they could satisfy all their demands by confining them-

selves entirely to issues of those towns whose credit standing is not in doubt. But many individuals purchase the issues of these small towns because such issues possess attributes (*e.g.*, safety, marketability, legal investment for estates and trusts) in addition to the tax-exempt privilege. Moreover, we all know that many issues are absorbed by inhabitants of the locality without regard to any tax-exemption benefits.

The marketability of the smaller city, town, and village issues depends largely on the confidence that investors have in the continuing solvency of the local governments. The argument that small towns are now able to sell their securities mainly because they are tax-exempt is simply another way of saying that such securities are held entirely by persons who bought them because of the tax-exemption privilege. But contrariwise, opponents of the elimination of the privilege themselves contend that very few persons benefit from the tax-exemption privilege. Obviously, these two positions are irreconcilable.

A third choice bit of misinformation is that estate tax returns show that a very small proportion of state and municipal bonds are held by individuals with incomes of more than \$5,000 or are purchased to avoid income taxes. The truth could not be more deftly distorted.

The fact is that federal estate tax returns demonstrate that the relative importance of state and municipal bonds in an individual's investment portfolio increases steadily and rapidly as wealth and income increase. For example, the federal estate tax



returns filed in 1939 showed that state and municipal bonds comprised 3.2 per cent of the assets of decedents' estates between \$100,000 and \$200,000, 11.5 per cent where decedents left assets between \$500,000 and \$1,000,000, and 36 per cent of estates exceeding \$5,000,000. And during the period from 1934 to 1939, inclusive, the relative importance of state and municipal bonds to all assets in all estates of \$100,000 or more, doubled over what it was during the preceding six-year period.

### State Committee Report

The arguments against the elimination of tax-exempt securities are not new. They were considered and rejected, not only by the special committee of the United States Senate to which I have referred, but they were also studied and repudiated nearly twenty years ago by the New York Joint Committee on Taxation and Retrenchment. That special committee of the legislature of the State of New York recommended against continuing the issuance of tax-exempt securities in a blistering summary which has never been refuted and which is well worth quoting [the italics are those of the committee, not mine]:

*... The committee strongly recommends that the legislature give its approval to the plan which contemplates reciprocal action, whereby interest on the securities of the federal government are made subject to the state income tax, and on the other hand, the interest on the securities of the states are to be rendered subject to the federal income tax.*

The grounds upon which this

recommendation is based are fundamentally very simple and can be stated in a few words: (1) these tax-exempt securities permit widespread evasion by individual taxpayers of just tax burdens; (2) they permit one governmental body to profit at the expense of another and at the expense of the interests of the community as a whole; and (3) they put private borrowers, upon whose prosperity the welfare of the state in large measure depends, at an unfair disadvantage....

In plain words, the present arrangement offers the states and localities an opportunity to steal a portion of the federal income taxes. Moreover, in so doing they flatten out the progressive curve of the income tax rates, destroying in a measure the equity of the tax system, and thus profit at the expense of the community as a whole....

There is, in reality, no sharp separation of interest here. Citizens of New York are citizens of the United States. It has been shown that all they gain as citizens of New York is lost as citizens of the United States and more beside.

It is generally admitted that there is nothing in the constitution which expressly prevents Congress from taxing in a nondiscriminatory manner income from the securities of states and municipalities or from subjecting the income from federal securities to like taxation by the states. It is also generally admitted that the reciprocal immunity from taxation heretofore accorded such securities is economically unsound. Nevertheless, it is claimed that Supreme Court decisions of long standing make it impossible for Congress to abolish tax-exempt securities. The claim requires examination.

Of course, it is not possible for the Supreme Court to amend the constitution, but it is possible for the Court to reconsider and overrule, and the Court has frequently reconsidered and overruled its own decisions. It cannot be denied, as Justice Taney stated in the *Passenger* cases that it is "the law of this [the Supreme] Court that its opinion upon the construction of the constitution is always open to discussion when it is supposed to have been founded in error, and that its judicial authority should hereafter depend altogether upon the force of the reasoning by which it is supported."

It has always been conceded that the federal government should not have the power to tax in a manner which would destroy or seriously interfere with the exercise of state functions and that state or local governments should not have the power to tax in a manner which would destroy or seriously interfere with the exercise of the functions of the federal government. Although those are the basic constitutional principles upon which the existence of tax-exempt securities is supposed to rest, non-discriminatory taxation of income from federal obligations by the states or of income from state and municipal obligations by the federal government would not offend those basic constitutional principles. Such taxation would offend at most a mistaken application by the Court of those basic principles before the economic incidences of graduated income taxation were clearly perceived or definitely understood.

Much of the judicial difficulty re-

garding tax-exemption stems from tearing out of its context Chief Justice Marshall's dictum that "the power to tax involves the power to destroy." But Marshall clearly indicated that while he feared state taxation might be used to obstruct the exercise of federal power, he had no similar fear regarding the effect of federal taxation upon the states because the "people of all the states, and the states themselves, are represented in Congress, and, by their representatives, exercise this power."

#### Sixteenth Amendment

It is true that the Supreme Court, when it invalidated the Income Tax Act of 1894, held that the Congress could not subject interest from state or municipal bonds to federal income taxation. But this case did not involve steeply graduated income taxes, and it was decided at a time when it was customary for the federal government to issue its own bonds exempt from all federal taxes.

The sixteenth amendment authorized Congress to levy taxes "on incomes from whatever source derived." But the Supreme Court, over the protest of some of its most distinguished members, held that the only effect of the amendment was to remove the requirement for an apportionment among the states of taxes laid upon income and that the income tax could not be applied to the income of a federal judge appointed before the enactment of the income tax statute. Two years ago, however, the Court held that the salaries of federal judges appointed after 1932 were not immune from federal taxation under the constitution. Although



it has been assumed that the income tax could not be applied to interest on state and municipal bonds, the fact is that the Congress has not since the ratification of the sixteenth amendment attempted directly to tax such income. And the whole question of tax-exempt bonds has never been carefully reconsidered by the Court since the graduated income tax became a part of our taxing system.

The Supreme Court is constantly reconsidering its decisions in the light of the fundamental principles of the constitution upon which they are based, sometimes limiting and sometimes overruling its past decisions. The Court has recognized, to paraphrase the words of Mr. Justice Holmes, that it is revolting to have no better reason for a rule of law than that it was laid down in some earlier decision of the Court, and that it is still more revolting if the grounds upon which it was laid down have vanished long since, and the rule persists from blind imitation of the past.

#### Favorable Decisions

Last year when the Supreme Court overruled earlier cases which had immunized the salaries of federal employees from state taxation and the salaries of state employees from federal taxation, Mr. Justice Frankfurter pointed out that:

The judicial history of this doctrine of immunity is a striking illustration of an occasional tendency to encrust unwarranted interpretations upon the constitution and thereafter to consider merely what has been judicially said about the constitution. . . . But the ultimate touchstone of constitutionality is

the constitution itself and not what we have said about it.

It is noteworthy that the Supreme Court has also expressly repudiated the theory that the income tax in effect is a tax upon the property or obligation from which the income is derived, and now that this has been established it seems quite clear that an individual no more than a corporation should be relieved from a tax measured by income because the income is derived from an immune source. As Mr. Justice Murphy said in *Federal Land Bank v. Bismarck Lumber Co.*, decided November 10, 1941: "The bonds may be held by private persons, and, of course, the general exemption of section 26 ['That every federal land bank . . . shall be exempt from federal, state, municipal, and local taxation'] would not extend to them."

It is now thoroughly established that the mere fact that the expenses of government would be less if those who dealt with it were exempt from taxation is no longer considered by the Supreme Court to be adequate basis for immunity from taxation.

On the same day also, the Supreme Court in a far-reaching decision held that the imposition of a state sales tax on goods sold to cost-plus-a-fixed-fee federal contractors did not place an unconstitutional burden on the United States. Speaking for a unanimous Court in the case of *Alabama v. King and Boozer*, Chief Justice Stone asserted that the contractors were not relieved of liability to pay the sales tax, "either because the contractors in a loose and general sense were acting for the government in purchasing the lumber or, as the

Alabama Supreme Court seems to have thought, because the economic burden of the tax imposed upon the purchaser would be shifted to the government by reason of its contract to reimburse the contractors."

The decision in the King and Boozer case is significant because it constitutes a conclusive repudiation of the "burden theory" of intergovernmental immunity. Under the "burden theory" a private person was entitled to claim the immunity from taxation granted to the government itself, if it could be demonstrated that the economic burden of a tax imposed upon a private person by one government, national or state, would be borne by the other government. But the Court gave short shrift to this theory in the King and Boozer case by declaring that:

So far as such a nondiscriminatory state tax upon the contractor enters into the cost of the materials to the government, that is but a normal incident of the organization within the same territory of two independent taxing sovereignties. The asserted right of the one to be free of taxation by the other does not spell immunity from paying the added costs, attributable to the taxation of those who furnish supplies to the government and who have been granted no tax immunity. So far as a different view has prevailed, see *Panhandle Oil Co. v. Knox*, *supra*; *Graves v. Texas Co.*, *supra*, we think it no longer tenable.

There can be no question that the economic burden of the Alabama tax was shifted directly to the federal government since the War Department had agreed to reimburse the contractor for all his costs, includ-

ing state taxes.

Let those who have been splitting hairs on the constitutionality of a statute eliminating tax-exempt securities ponder these words of the Chief Justice. Let them answer now whether the purpose of intergovernmental immunity was to confer benefits on state and municipal bondholders by relieving them from contributing their proper share to the financial support of the national government whose benefits they enjoy.

There can be but one answer: that the doctrine of reciprocal tax immunity cannot be tortured to sanction either (1) a subsidy for state and municipal governments by enabling them to issue bonds at interest rates lower than those paid by other borrowers or (2) a subsidy for state and municipal bondholders by maintaining for them this well beaten path of tax avoidance.

Tax-exempt securities are founded upon a mistaken notion of constitutional powers and are a dangerous source of social unrest. The national government, in its attempt to eliminate this inequitable exemption from its tax laws, will need the coöperation of municipalities. We all know that the policy of the national government towards local governments is that of the "good neighbor" and that the cause of both is the same: a sound national defense. When dictators and demagogues are attacking democracy on the ground that it is a device to protect the privileges of wealth, it is high time that we take action to eliminate the economically, politically, and morally indefensible system of tax-exempt securities.



# Wanted: A New Road to Municipal Home Rule

*The time has now come for a complete re-examination of the home rule problem to find new avenues of positive achievement.*

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By BARNET HODES  
*Corporation Counsel of Chicago*

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THE problem of effective local government remains unsolved. So long as this is true, the home rule movement will continue to engage the active attention of the student of government.

The modern city, especially the large metropolitan city, must be equipped to deal with the numerous complex problems continuously arising in urban society. The failures and limited achievements of the past merely emphasize the need for a revitalization of the home rule movement. I believe that new approaches must be devised for the realization of this goal, and the purpose of this article is to emphasize that need. The home rule urge cannot be held permanently in the realm of futile protest or academic verbiage.

As I attempted to show in a previous article in the NATIONAL MUNICIPAL REVIEW,<sup>1</sup> the broader responsibilities which the municipality must assume for national defense raise the home rule issue to a newer urgency. The city must be able to take on a wide range of defense activities. In defense emergencies legal stalemates would be intolerable. Moreover, cities have a responsibility for meeting the totalitarian challenge

to the efficiency and sufficiency of the democratic way of life. Force alone cannot win the battle for democracy. The threat must be fought from within as well as from without. Democracy must show that it can govern better than dictatorship, that it offers more to the people. In this the city is on the front line. For a winning fight it is sorely handicapped by outmoded legal equipment.

The time has come, in my opinion, for a complete re-examination of the home rule problem to find new avenues of positive achievement for the future, not simply to review and deplore the failures of the past.

Let us admit that past approaches have been too limited in their scope. Let us admit also that, with his often confusing reviews of court decisions, the lawyer alone cannot solve the problem.

The political and social scientist, the urban and state expert, the political psychologist and sociologist—all these should be called in. The services of the politician, too, must be enlisted. His is the most intimate knowledge of the practical workings of democratic machinery. He can be an important member of a home rule strategy board.

Such a strategy board could work

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<sup>1</sup>October 1941.

along three major lines of investigation.

*First*, the needs of urban government must be analyzed in accord with today's problems and also weighed against the realistic requirements of state uniformity. This is a job for the political scientist, the social scientist, as well as the urban expert.

The allocation of governmental functions between state and municipality is primarily an administrative, rather than a legal, problem. The political scientist and government technologist are best equipped to develop guiding principles. This will, of course, require an intensive analysis of existing state and local activities. A companion study of the inter-relationships between cities and larger governmental units in foreign countries should aid in the development of guiding principles. As a lawyer, I cannot positively chart the path of investigation for political scientists, but can only here suggest certain possibilities for their consideration.

*Second*, the opponents and obstructionists of home rule must be subjected to objective analysis. Who are they? What are their reasons, their basic motivations, their techniques? This investigation should be assigned to the political psychologist, to the political sociologist, and to the politician.

*Third*, the lawyer probably needs to develop a new slant as his contribution to a collaborative approach toward home rule. In the main, this is because judicial interpretation has succeeded in well nigh destroying the

effectiveness of constitutional home rule as we have known it. The courts have held that matters of state concern must exist as a companion to matters of local concern and then have proceeded with no marked consistency to hem in the city with matters of state concern. Until the lawyer can revise, clarify, or replace this judicial formula to meet the needs of urban government, confusion will prevail.

#### **Suggested Approach**

As a lawyer, I might suggest two possible approaches toward clarification or substitution. I point out here that few governmental problems are exclusively local in character in the sense that no similar problem exists in non-urban areas. Police, health, and fire protection are universal needs. Traffic regulation, too, is a general problem. Even zoning is now a function of counties as well as cities and also has state attention.

However, it is clear—or should be—that urban life has so complicated and differentiated these problems that a special, localized treatment is required for cities. This is particularly true of fire and police protection; and yet there was a recent Wisconsin decision declaring “that the preservation of order, the enforcement of law, the protection of life and property, and the suppression of crime are matters of state-wide concern.” From this, the court concluded that the power of the municipalities to deal with these matters is not derived from a home rule amendment but from the legislature through legislative enactment.<sup>2</sup> This is a good

<sup>2</sup>*Van Gilder v. City of Madison*, 222 Wis. 58 (1936).



sample of how the purpose of *constitutional home rule* is aborted. It seems to me that the definition of matters of local concern must be rephrased to signify that which is peculiarly urban, rather than that which is exclusively urban.

Perhaps the solution will be found to be in the replacement of constitutional home rule by some form of triple sovereignty. Four years ago, in my book, *Law and the Modern City*, I pointed out that this idea is not as drastic as it might seem, for:

The framers of the American constitution faced a similar problem in governmental relationships when they were called upon to establish a national government and yet were constrained to preserve the identities and sovereign powers of the separate states. With a wisdom and sagacity that is still amazing after more than one hundred and fifty years, those statesmen developed the idea of *dual* sovereignty. There were those who said such an idea was preposterous and unworkable. But it has worked!

Let me add that a three-way split of sovereignty need not mean separate municipal statehood or any other form of complete divorcement from the state, any more than state sovereignty kept the union from being a nation.

#### **Sales Promotion**

After a new approach toward home rule is developed ways and means of assuring the adoption of home rule must also be devised. Sales promotion has become a commonplace of modern society. The exploitation of ideas and goods usually is preceded by a careful scrutiny of potential sales resistance, of the variabilities of the consumer market, of the con-

sumer appeal of alternative selling points, and of the possible facilities for putting the program over.

I suspect that in the past home rule advocates have not been sufficiently sales-promotion-conscious. They talk too much about their merchandise and give too little time to the ways and means of putting it over.

Home rule has had its boom periods. There should be important lessons in the how and why of these victories—also in the failures. Concerning the latter the political psychologist doubtless could contribute substantially to the promotional job in analyzing the basic causes for antipathy or indifference on the part of various classes of individuals. The sociologist can bring his skill to bear in examining the types of pressure groups, their inter-relationships, and their responses to various effects and facts. The politician can give light on how his fellows react in the face of home rule proposals.

Moreover, a serious campaign also would enlist the services of the public relations expert—for what we have here is a selling job.

A broader approach is in order despite any objection that the home rule need actually is too urgent for projects of too long a range. The interim period, however, need not be wasted. Available remedies can be pushed with renewed vigor, taking full advantage of all the new promotional and propaganda facilities developed in recent years. Even lawyers can help by limiting themselves to short-range exploration and sug-

(Continued on Page 713)

# Comparative Tax Rates of 311 Cities — 1941

*New compilation finds little change  
made in tax rates and assessments by  
municipalities during the past year.*

By ROSINA K. MOHAUPT

*Detroit Bureau of Governmental Research, Inc.*

**T**AX rates and assessed values of American cities over 30,000 population have shown virtually no change in the past year. Cities over 500,000 have shown a slight increase in tax rates, but the average rate of the 263 American cities studied intensively has increased only two cents per thousand.

Assessed values in the larger cities (population over 500,000) are still declining. This trend started in 1931-32 and has never stopped, although it has faltered occasionally. There has been a gradual slowing down, however, in the rate of decrease in recent years. The steady decline in assessed value indicates the folly of basing assessments on highly speculative realty values, a practice which brought a false prosperity to cities, making possible expenditures at a level higher than could be justified by the intrinsic value of real property. The decrease in values in the larger cities adds to the already serious financial problems created by the decrease in federal grants and the increasing costs of city government due to demands for higher wages and rising prices on materials and supplies used.

The decrease in assessed values in large cities has necessitated an increase in tax rates if total tax rev-

enues are not to be reduced. But the growing burden of federal taxation and the general unpopularity of any increases in the general property tax make the financial situation of many of these cities uncomfortable. The resistance to higher general property taxes throughout the country is indicated by the tapering off in the rate of increase in the adjusted tax rates shown in Table I. The greatest increase in tax rate, eighty-two cents was reported in 1936-37 in contrast to the two-cent increase during the past year. In many cases an attempt has been made to supplement declining general tax revenues by larger federal and state subsidies. State subsidies, unfortunately, are often precarious and even federal grants are more or less uncertain in fields other than social security.

Cities over 500,000 population showed the greatest increase in average tax rate—forty-one cents per thousand. Only four of the fourteen cities in this group reported decreased tax rates in contrast to the trend in all other population groups. Table II shows that of the 263 cities reporting in 1940 and 1941, 168 or 64 per cent showed tax rates which had either remained unchanged or had gone down during the past year.

While cities in group II (popula-



tion 300,000 to 500,000) showed an increase in average tax rate of twenty-four cents per thousand, an unusually large increase of \$9.00 in Newark, New Jersey, obscures the decreases reported by nine of the sixteen cities. Four of the group II cities showed no change, and only three reported increases in tax rates.

Cities under 300,000 (groups III, IV, and V) showed either decreases or only a slight increase in tax rate. This was possible because, unlike larger municipalities, these cities had increased assessments.

Tables III and IV show changes in tax rates and Table V shows changes in assessed value over a five-year

period. These tables indicate that the larger cities have suffered the greatest reduction in assessments and the greatest increase in tax rates. Group I and II cities (population 300,000 and over) increased their rates, on an average, by approximately \$3.50 per thousand and lost over 2½ per cent of assessed value in five years. Smaller cities showed much less pronounced increases in rates and slightly higher assessments.

#### Adjusted Tax Rates

Both actual and adjusted tax rates are reported in the accompanying compilation. The actual tax rate is the total amount levied on property

TABLE I

ANNUAL CHANGES IN ASSESSED VALUE AND AVERAGE ADJUSTED TAX RATE OF AMERICAN CITIES

|         | <i>Per Cent of<br/>Increase or Decrease<br/>in Assessment</i> | <i>Average Adjusted Tax<br/>Rate, Amount of In-<br/>crease or Decrease<sup>a</sup></i> |
|---------|---|--|
| 1940-41 | — .1%   | \$+.02   |
| 1939-40 | —1.5  | +.29   |
| 1938-39 | — .5  | +.45   |
| 1937-38 | + .8  | +.65   |
| 1936-37 | — .3  | +.82   |
| 1935-36 | + .1  | +.61   |
| 1934-35 | —1.8  | — .19  |
| 1933-34 | —6.4  | +.71   |
| 1932-33 | —8.1  | — .57  |
| 1931-32 | —4.3  | +.85   |

<sup>a</sup>Per \$1,000 assessed value.

TABLE II

NUMBER OF CITIES REPORTING DECREASED ADJUSTED TAX RATES—1940-41

| <i>Population<br/>Group<sup>b</sup></i> | <i>Decrease</i> | <i>Number of Cities with Tax Rate<br/>Increase</i> | <i>No Change</i> |
|---|-----------------|--|------------------|
| I                                       | 4               | 7  | 3                |
| II                                      | 9               | 3  | 4                |
| III                                     | 28              | 22   | 8                |
| IV                                      | 37              | 30   | 14               |
| V                                       | 45              | 33   | 16               |
| Total                                   | 123             | 95   | 45               |

<sup>b</sup>The United States Census groups cities according to population as indicated in the tabulations set forth at the end of this article.

by all units of government. Because of widely divergent assessment practices, however, it becomes necessary to adjust the actual rates reported.

In a majority of the states the law prescribes a legal basis of assessment at 100 per cent of true value. There are, however, a few states where the legal basis is less than 100 per cent. In North Dakota and Washington, for instance, the legal basis is 50 per cent; in Alabama and Iowa, 60 per cent of true value. In Arkansas the State Corporation Commission prescribes the assessment ratio and has set 50 per cent as the standard. California requires that assessments be in proportion to value, but does not

specify what that proportion shall be.

It is obvious that tax rates levied in these states cannot be compared with rates levied in states where property valuation is legally required to be at full value. The problem of converting all assessments to a 100 per cent basis when the law authorizes a lower ratio is not difficult. But assessing procedures are either not sufficiently accurate or are controlled by tradition so that the actual assessment is at some fraction of the legal basis whether this is 50 per cent or 100 per cent. As a matter of fact, assessment at 100 per cent of the legal basis is the exception rather than the rule.

TABLE III  
COMPARISON OF 1940 AND 1941 AVERAGE UNADJUSTED AND ADJUSTED TAX RATES  
OF 263 AMERICAN CITIES

| Population<br>Group <sup>b</sup> | Average Unadjusted Rates<br>Per \$1000<br>of Assessed Value |         |          | Average Adjusted Rates<br>Per \$1000<br>of Assessed Value |         |          |
|----------------------------------|---|---------|----------|---|---------|----------|
|                                  | 1941  | 1940    | Increase | 1941  | 1940    | Increase |
| I                                | \$39.28   | \$38.71 | \$ .57   | \$29.28   | \$28.87 | \$ .41   |
| II                               | 44.84   | 44.83   | .01      | 29.67   | 29.43   | .24      |
| III                              | 40.55   | 40.40   | .15      | 28.37   | 28.44   | -.07     |
| IV                               | 38.62   | 38.69   | -.07     | 27.59   | 27.65   | -.06     |
| V                                | 37.77   | 37.57   | .20      | 26.30   | 26.24   | .06      |
| Total                            | 39.16   | 39.04   | .12      | 27.51   | 27.49   | .02      |

TABLE IV  
COMPARISON OF 1936 AND 1941 AVERAGE UNADJUSTED AND ADJUSTED TAX RATES  
OF 217 AMERICAN CITIES

| Population<br>Group <sup>b</sup> | Average Unadjusted Rates<br>Per \$1000<br>of Assessed Value |         |          | Average Adjusted Rates<br>Per \$1000<br>of Assessed Value |         |          |
|----------------------------------|---|---------|----------|---|---------|----------|
|                                  | 1941  | 1936    | Increase | 1941  | 1936    | Increase |
| I                                | \$39.28   | \$35.09 | \$4.19   | \$29.28   | \$25.69 | \$3.59   |
| II                               | 44.84   | 40.66   | 4.18     | 29.67   | 26.25   | 3.42     |
| III                              | 40.87   | 38.35   | 2.52     | 28.20   | 26.61   | 1.59     |
| IV                               | 38.08   | 35.33   | 2.75     | 27.30   | 24.77   | 2.53     |
| V                                | 37.66   | 35.62   | 2.04     | 26.95   | 25.34   | 1.61     |
| Total                            | 39.19   | 36.53   | 2.66     | 27.71   | 25.56   | 2.15     |

<sup>b</sup>The United States Census groups cities according to population as indicated in the tabulations set forth at the end of this article.

The problem of adjusting rates in such cases is complicated by the scarcity of scientific studies of the actual ratios applied to the various classes of property in the city. This compilation *adjusts* the reported tax rate to a uniform 100 per cent basis of assessment by using the best estimates of assessment ratios that can be secured for the purpose.

In Illinois, New York, California, and Washington the state tax commission issues annual studies of the ratio of assessed value to true cash value used by the various counties or cities. Kentucky has just started making such surveys. Unfortunately, the studies are often based on only a small number of properties and consequently the results obtained are little better than the opinion estimates of local assessing officials generally used in this compilation.

Evidence that sufficient data to justify the ratios of individual cities is not available is indicated by the disagreements between local and state officials in Illinois (Chicago, Oak Park, Evanston, and Berwyn) and in New York (Rochester, Yonkers, Albany, and Schenectady). Because

of the controversy over the proper assessment ratio, no attempt has been made to show the adjusted tax rate in these cities this year. The disputed ratios and adjusted rates are indicated in the footnotes.

The assessment ratio is an *estimate* and an *average*. Different types of property are often assessed at different ratios; therefore these ratios must be averaged for the entire city. For instance, residential property may be assessed at 120 per cent and commercial property at 80 per cent, resulting in a possible average of 100 per cent for all property in the city. While for purposes of this study the average ratio is satisfactory, to apply this figure to any one type or piece of property will lead to erroneous conclusions.

Another complication arises where the county assessment is on a different basis from that of the city, as in Pennsylvania, California, and Texas. In such cases, adjustment is made for the assessment ratio used by each unit of government and the two ratios are averaged on the basis of the influence of each on the total tax rate. In a few cities, notably in Canada,

TABLE V  
CHANGES IN ASSESSED VALUE OVER ONE-YEAR AND FIVE-YEAR PERIOD

| Population Group <sup>b</sup> | Average Per Capita Assessed Value |        | Per Cent Change in Assessment 1940-41 | Per Cent Change in Assessment 1936-40 |
|-------------------------------|-----------------------------------|--------|---------------------------------------|---------------------------------------|
|                               | 1941                              | 1940   |                                       |                                       |
| I                             | \$1585                            | \$1595 | — .6%                                 | —3.1%                                 |
| II                            | 1206                              | 1200   | + .5                                  | —2.6                                  |
| III                           | 1143                              | 1132   | +1.0                                  | +1.0                                  |
| IV                            | 1212                              | 1201   | +1.0                                  | +1.9                                  |
| V                             | 1130                              | 1112   | +1.6                                  | +1.4                                  |
| Total                         | 1370                              | 1369   | + .1                                  | —1.7                                  |

<sup>b</sup>The United States Census groups cities according to population as indicated in the tabulations set forth at the end of this article.



land is assessed at a different ratio from that of buildings. Here also the assessment ratio reported is the weighted average of the two separate ratios.

#### Method of Compiling

This, the twentieth annual compilation of tax rates of cities over 30,000 population, is made possible through the coöperation of city and county officials, chambers of commerce, and bureaus of governmental research. Data for the compilation are obtained by questionnaires mailed to these sources.

Figures are shown for 311 cities—295 American and 16 Canadian. The tables showing 1940-41 comparisons are based on the 263 cities reporting in both of these years and the 1936-41 comparisons are based on the 217 cities reporting in both 1936 and 1941.

The cities are arranged in population groups according to the 1940 census. The cities are ranked according to population, and to facilitate comparison with compilations of previous years, their rank according to the 1930 census is shown in brackets to the right of the new order number.

The assessed value upon which city taxes are levied is reported. This is different from the county assessment in those cities where the county assesses at a different ratio of true value from that used by the city.

Because of different tax rates on real and personal property and different assessed values it is impossible to determine the total tax levy by multiplying the assessed value by the total tax rate. This is a common misuse of the figures in this compilation.

All tax rates have been divided into four classifications: city, school, county, and state. In states where there are a large number of "ad hoc" units of government it is often difficult to properly classify certain rates. The general rule is to include in the city rate all levies which are usually considered in the majority of the municipalities as falling within their jurisdiction. Park, library, relief, and sanitary district rates are included under city rates. Where the tax rates of such "ad hoc" units of government were included in the city rate the footnotes indicate the amounts and nature of the additions.

(See following pages for complete tabulation.)

| Table 2.—Estimated and Actual Tax Rates of the Governmental Research Association |                |                   |                              |                                  |  |                                     |  |          |        |       |   |  |  |        |
|--|----------------|-------------------|------------------------------|----------------------------------|--|-------------------------------------|--|----------|--------|-------|---|--|--|--------|
|  | Census<br>1940 | Assessed<br>Value | Per Cent<br>Person-<br>ality | City<br>Fiscal<br>Year<br>Begins | Date City<br>Taxes (or<br>1st Install-<br>ment) Are<br>Due | No. of<br>Payments<br>City<br>Taxes | Actual Tax Rate as Levied Per<br>\$1,000 of Assessed Valuation |          |        |       | Estimated<br>Ratio of<br>Assessed<br>Value to<br>True Value<br>(Per Cent) | Adjusted<br>Tax Rate<br>on 100%<br>Basis of<br>Assess-<br>ment | Amount<br>of Home-<br>stead Ex-<br>emption |        |
|  |                |                   |                              |                                  |  |                                     | City   | School   | County | State |   |  |  | Total  |
| Group I  |                |                   |                              |                                  |  |                                     |  |          |        |       |   |  |  |        |
| Population 500,000 and over  |                |                   |                              |                                  |  |                                     |  |          |        |       |   |  |  |        |
| 1(1) <sup>†</sup> New York, N. Y. <sup>1</sup>                                   | 7,454,995      | \$16,223,134,726  | 100                          | July                             | Oct. 1   | 2                                   | \$21.61*   | \$ 7.25* | .74*   | —     | 29.60   | 92   | 27.23                                      | 1      |
| 2(2) Chicago, Ill. <sup>2</sup>  | 3,396,808      | 1,995,827,539     | 68                           | Jan. 1                           | May 1  | 2                                   | 54.90  | 32.90    | 7.40   | N     | 95.20   | 100  | 28.75                                      | 2      |
| 3(3) Philadelphia, Pa. <sup>3</sup>  | 1,931,334      | 3,229,400,958     | 77                           | Jan. 1                           | Jan. 25  | 1                                   | 17.00  | 11.75    | N      | N     | 28.75   | 100  | 28.73                                      | 3      |
| 4(4) Detroit, Mich. <sup>4</sup>   | 1,623,452      | 2,525,750,760     | 75                           | July 1                           | Aug. 15  | 2                                   | 19.00  | 8.32     | 5.41   | N     | 32.73   | 100  | 32.73                                      | 4      |
| 5(5) Los Angeles, Cal. <sup>4</sup>  | 1,504,277      | 1,311,614,291     | 83                           | July 1                           | Nov. 1   | 2                                   | 17.39  | 18.83    | 21.63  | N     | 57.85   | 50   | 28.93                                      | 5      |
| 6(6) Cleveland, Ohio <sup>6</sup>  | 878,336        | 1,210,901,485     | 87                           | Jan. 1                           | Apr. 10  | 2                                   | 15.90  | 10.30    | 5.70   | N     | 31.90   | 80   | 25.52                                      | 6      |
| 7(8) Baltimore, Md. <sup>6</sup>   | 859,100        | 1,501,117,794     | 71                           | Jan. 1                           | Jan. 1   | op.                                 | 22.80  | 5.70*    | N      | 2.34  | 30.84   | 100  | 30.84                                      | 7      |
| 8(7) St. Louis, Mo.  | 816,048        | 1,047,891,510     | 89                           | Apr. 9                           | Sept. 15   | 4                                   | 17.50  | 8.70     | N      | 1.20  | 27.40   | 85   | 23.29                                      | 8      |
| 9(9) Boston, Mass.   | 770,816        | 1,460,782,900     | 92                           | Jan. 1                           | July 1   | 10                                  | 26.01  | 8.51     | 1.93   | 3.15  | 39.60   | 100  | 39.60                                      | 9      |
| 10(10) Pittsburgh, Pa. <sup>7</sup>  | 671,659        | 1,036,103,380     | 100                          | Jan. 1                           | Jan. 1   | 12                                  | 17.09  | 11.75    | 7.88   | N     | 36.72   | 85   | 31.21                                      | 10     |
| 11(11) Washington, D. C. <sup>8</sup>  | 663,091        | 1,364,621,972     | 93                           | July 1                           | Sept. 1  | 2                                   | 17.50  | —        | N      | N     | 17.50   | 90   | 15.75                                      | 11     |
| 12(11) San Francisco, Cal. <sup>9</sup>  | 634,536        | 820,586,802       | 87                           | July 1                           | Nov. 1   | 2                                   | 35.60  | 7.35     | N      | N     | 42.95   | 90   | 21.48                                      | 12     |
| 13(12) Milwaukee, Wis. <sup>10</sup>   | 587,472        | 811,119,945       | 92                           | Jan. 1                           | Jan. 1   | 1                                   | 16.29  | 11.03    | 10.55  | .36   | 38.23   | 52   | 35.17                                      | 13     |
| 14(13) Buffalo, N. Y. <sup>11</sup>  | 575,901        | 904,437,090       | 96                           | July 1                           | July 1   | 2                                   | 24.26  | 6.98     | 9.13   | .28   | 40.65   | 84   | 34.14                                      | 14     |
| Group II   |                |                   |                              |                                  |  |                                     |  |          |        |       |   |  |  |        |
| Population 300,000 to 500,000  |                |                   |                              |                                  |  |                                     |  |          |        |       |   |  |  |        |
| 15(16) New Orleans, La. <sup>12</sup>  | 494,537        | 496,745,072       | 71                           | Jan. 1                           | Jan. 1   | 2                                   | 21.50  | 7.00     | 5.50   | 5.75  | 39.75   | 718  | 28.38                                      | 2,000* |

See also general notes at end of tabulation.

\*=Estimated. N=None.

op.=Optional. —=Figures or breakdown not available.

<sup>†</sup>Cities are arranged according to the 1940 census. Numbers in parentheses show order in which cities were listed in previous tabulations according to the 1930 census. Where there is no number in parentheses, the city had a population of less than 30,000 in the 1930 census.

<sup>‡</sup>These cities reported different assessment ratios for the city and county, or for land and buildings. The figure shown is the weighted average (to the nearest integer) of the several ratios.

<sup>§</sup>No state levy on property in the following states: California, Delaware, Illinois, Michigan, New Hampshire, North Carolina, Ohio, Oklahoma, Rhode Island, South Dakota, Vermont, and Virginia. No state tax levy on real estate in Pennsylvania.

<sup>||</sup>New York City. Rate shown is for Borough of Manhattan. Total rate for the Bronx is \$29.60, Brooklyn \$29.60, Queens \$30.90, Richmond \$29.80. Total rates include levy for reassessment of special assessments which are borough wide in character.

Breakdown of total tax rate estimated from appropriations. See footnote <sup>1</sup>.

<sup>1</sup>Chicago. City rate includes \$11.20 park district and \$7.60 sanitary district rates. County rate includes \$1.00 forest preserve rate. Illinois Tax Commission estimates assessment ratio at 32%, local officials at 37% of true value. Adjusted rates are \$30.46 and \$35.22 respectively.

<sup>2</sup>Philadelphia. City rate includes levy for county which is consolidated with city.

Assessed value includes \$732,969,980 "money at interest" taxed at 4 mills by the state and city each. See footnote <sup>1</sup>.

<sup>3</sup>Los Angeles. County rate includes \$2.20 flood control rate on land and improvements only, and \$4.80 metropolitan water rate.

<sup>4</sup>Cleveland. Assessed value does not include intangible personalty assessed on income at from 2 to 5 mills, but does include \$161,544,265 tangible personal property taxed at same rate as realty, but assessed at 50% of full value. See footnote <sup>1</sup>.

<sup>5</sup>Baltimore. Assessed value includes \$42,500,000 shares of banks and trust companies and \$222,000,000 deposits in savings banks taxed at \$10 and \$1.875 per \$1,000 respectively. School rate estimated from appropriations.

<sup>6</sup>Pittsburgh. City rate is average of \$23 rate on land and \$11.50 on buildings. Because of varying proportions of land to building on different pieces of property, the rate actually varies from about \$10 to \$20. See footnote <sup>1</sup>.

<sup>7</sup>Washington, D. C. Valuation does not include intangible personalty subject to income tax. School rate included in city rate. Home owners may pay in four installments.

<sup>8</sup>San Francisco. Combined city-county organization. Assessed value does not include \$156,044,653 solvent credits taxable at one mill.

<sup>9</sup>Milwaukee. City rate includes \$2.29 for retirement of debt of Metropolitan Sewerage District.

<sup>10</sup>Buffalo. City rate includes \$.60 debt service for schools.

<sup>12</sup>New Orleans. Figure in county column is levee and flood reparation rate.

|  | Census 1940 | Assessed Value | Per Cent Realty | City Fiscal Year Begins | Date City Taxes (or 1st Installment) Are Due | No. of Payments City Taxes | Actual Tax Rate as Levied Per \$1,000 of Assessed Valuation |        |        |       |        | Estimated Ratio of Assessed Value to True Value (Per Cent) | Adjusted Tax Rate on 100% Basis of Assessment | Amount of Home-stead Ex-emption |    |
|--|-------------|----------------|-----------------|-------------------------|--|----------------------------|---|--------|--------|-------|--------|--|---|---------------------------------|----|
|  |             |                |                 |                         |  |                            | City  | School | County | State | Total  |  |   |                                 |    |
| 16(15) Minneapolis, Minn.                  | 492,370     | 235,281,471    | 81              | Jan. 1                  | Jan. 6                                       | 4                          | 52.60   | 25.45  | 12.30  | 9.65  | 100.00 | 35   | 35.00   | 4,000*                          | 16 |
| 17(17) Cincinnati, Ohio <sup>a</sup>       | 455,610     | 840,585,780    | 89              | Jan. 1                  | Dec. 20                                      | 10                         | 10.80   | 7.59   | 3.07   | N     | 21.46  | 80   | 17.17   |                                 | 17 |
| 18(18) Newark, N. J. <sup>a</sup>          | 429,760     | 724,720,229    | 76              | Jan. 1                  | Feb. 1                                       | 4                          | 34.55   | 13.60  | 6.56   | 2.79  | 57.50  | 100  | 57.50   |                                 | 18 |
| 19(19) Kansas City, Mo. <sup>13</sup>      | 399,178     | 535,969,712    | 72              | May 1                   | June 1                                       | 1                          | 14.50   | 14.00  | 6.90   | 1.20  | 36.60  | 83 <sup>§</sup>  | 30.39   |                                 | 19 |
| 20(21) Indianapolis, Ind. <sup>e</sup>     | 386,972     | 514,746,540    | 72              | Jan. 1                  | Jan. 1                                       | 2                          | 12.60   | 9.60   | 8.40   | 1.50  | 32.10  | 75   | 24.08   |                                 | 20 |
| 21(26) Houston, Tex. <sup>14</sup>         | 384,514     | 347,015,820    | 74              | Jan. 1                  | Jan. 1                                       | op.                        | 19.75   | 11.30  | 8.95   | 5.80  | 45.80  | 47 <sup>§</sup>  | 21.43   | 3,000*                          | 21 |
| 22(20) Seattle, Wash. <sup>15</sup>        | 368,302     | 244,294,502    | 78              | Jan. 1                  | Feb. 10                                      | 2                          | 21.00   | 13.50  | 13.84  | 2.26  | 50.60  | 47   | 23.78   |                                 | 22 |
| 23(22) Rochester, N. Y. <sup>16</sup>      | 324,975     | 530,535,606    | 100             | Jan. 1                  | Jan. 1                                       | 1                          | 20.72   | 10.70  | 11.42  | —     | 42.84  | See footnote   | No. 16  |                                 | 23 |
| 24(25) Denver, Colo. <sup>17</sup>         | 322,412     | 364,942,960    | 71              | Jan. 1                  | Jan. 1                                       | 2                          | 20.35   | 16.70  | N      | 4.35  | 41.40  | 80   | 33.12   |                                 | 24 |
| 25(24) Louisville, Ky. <sup>18</sup>       | 319,077     | 422,858,889    | 73              | Sept. 1                 | May 1  | 4                          | 16.70   | 7.20   | 4.00   | .50   | 28.40  | 85   | 24.14   |                                 | 25 |
| 26(28) Columbus, Ohio <sup>a</sup>         | 306,087     | 369,637,850    | 78              | Jan. 1                  | Feb. 20                                      | 2                          | 8.10  | 8.20   | 2.60   | N     | 18.90  | 100  | 18.90   |                                 | 26 |
| 27(25) Portland, Ore. <sup>19</sup>        | 305,394     | 263,376,090    | 85              | Jan. 1                  | Mar. 15                                      | 4                          | 27.50   | 16.00  | 16.40  | 2.10  | 62.00  | 53   | 32.86   |                                 | 27 |
| 28(32) Atlanta, Ga. <sup>20</sup>          | 302,288     | 350,000,000*   | 71              | Jan. 1                  | May 1  | 3                          | 11.20   | 6.30   | 13.50  | 5.00  | 36.00  | 59 <sup>§</sup>  | 21.20   | 2,000*                          | 28 |
| 29(30) Oakland, Calif. <sup>21</sup>       | 302,163     | 266,881,756    | 85              | July 1                  | Nov. 1                                       | 2                          | 19.70   | 16.10  | 16.10  | N     | 51.90  | 35   | 18.17   |                                 | 29 |
| 30(23) Jersey City, N. J. <sup>a</sup>     | 301,173     | 602,803,418    | 90              | Jan. 1                  | Feb. 1                                       | 4                          | 28.69   | 10.85  | 9.93   | 2.71  | 52.18  | 100  | 52.18   |                                 | 30 |
| Group III<br>Population 100,000 to 300,000 |             |                |                 |                         |  |                            |   |        |        |       |        |  |   |                                 |    |
| 31(33) Dallas, Tex.                        | 294,734     | 292,527,990    | 71              | Oct. 1                  | Oct. 1                                       | 2                          | 17.00   | 7.50   | 7.20   | 5.80  | 37.50  | 53   | 19.88   | 3,000*                          | 31 |
| 32(36) Memphis, Tenn. <sup>22</sup>        | 292,942     | 290,243,600    | 71              | Oct. 1                  | May 1  | 4                          | 14.80   | 6.50   | 8.70   | .80   | 30.80  | 85   | 26.18   |                                 | 32 |
| 33(31) St. Paul, Minn. <sup>23</sup>       | 287,736     | 132,062,163    | 82              | Jan. 1                  | Jan. 1                                       | 2                          | 42.27   | 20.00  | 28.06  | 9.65  | 99.98  | 35   | 34.99   | 4,000*                          | 33 |
| 34(27) Toledo, Ohio <sup>a</sup>           | 282,349     | 438,000,000    | 90              | Jan. 1                  | June 20                                      | 2                          | 7.82  | 8.33   | 2.65   | N     | 18.80  | 100  | 18.80   |                                 | 34 |
| 35(34) Birmingham, Ala. <sup>a</sup>       | 267,583     | 182,627,019    | 85              | Sept. 1                 | Oct. 1                                       | 4                          | 11.50   | 6.50   | 11.50  | 6.50  | 36.00  | 30   | 10.80   | 2,000*                          | 35 |
| 36(38) San Antonio, Tex.                   | 253,854     | 211,496,180    | 74              | June 1                  | April 1                                      | 1                          | 18.70   | 10.30  | 6.60   | 5.80  | 41.40  | 65 <sup>§</sup>  | 26.71   | 3,000*                          | 36 |
| 37(37) Providence, R. I. <sup>24</sup>     | 253,504     | 497,701,010    | 81              | Oct. 1                  | Oct. 1                                       | 4                          | 25.00   | —      | N      | N     | 25.00  | 100  | 25.00   |                                 | 37 |
| 38(35) Akron, Ohio <sup>25</sup>           | 244,791     | 270,100,000*   | 73              | Jan. 1                  | Dec. 20                                      | 2                          | 16.29   | 11.59  | 3.12   | N     | 31.00  | 60   | 18.60   |                                 | 38 |
| 39(39) Omaha, Neb. <sup>26</sup>           | 223,844     | 237,313,056    | 70              | Dec. 31                 | Jan. 1                                       | 2                          | 15.35   | 14.00  | 5.05   | 3.25  | 37.65  | 70   | 26.36   |                                 | 39 |
| Dayton, Ohio<br>210,718 Not reporting      |             |                |                 |                         |  |                            |   |        |        |       |        |  |   |                                 |    |
| 41(40) Syracuse, N. Y.                     | 205,967     | 345,526,788    | 100             | Jan. 1                  | Jan. 1                                       | 4                          | 19.61   | 9.29   | 9.48   | .27   | 38.65  | 91   | 35.17   |                                 | 41 |
| 42(43) Oklahoma City, Okla. <sup>27</sup>  | 204,424     | 117,144,078    | 83              | July 1                  | Jan. 1                                       | 4                          | 17.44   | 19.07  | 9.97   | N     | 46.48  | 40   | 18.59   | 1,000*                          | 42 |
| 43(53) San Diego, Calif.                   | 203,341     | 164,263,280    | 80              | July 1                  | Nov. 1                                       | 2                          | 21.90   | 19.00  | 20.20  | N     | 61.10  | 50   | 30.55   |                                 | 43 |

<sup>13</sup>Kansas City. Does not include \$.25 park and \$.10 boulevard maintenance rate.  
<sup>14</sup>Houston. The 1940 assessment figures are latest available although 1941 rates are shown. Installments of any size accepted.  
<sup>15</sup>Seattle. County rate includes \$.134 Port of Seattle rate. See footnote <sup>2</sup>.  
<sup>16</sup>Rochester. State tax Commission reports assessment ratio of 85%, local officials of 76% of true value. Adjusted rates are \$6.41 and \$32.56 respectively. See footnote <sup>6</sup>.  
<sup>17</sup>Denver. City rate includes \$2.00 Moffat Tunnel Improvement District rate on real estate only. City rate is consolidated city-county rate.  
<sup>18</sup>Louisville. Rate shown is for local estate; rate on personal property is \$2.90.  
<sup>19</sup>Portland, Ore. City rate includes \$1.90 Port of Portland and \$.22 Dock Com-mission rates.  
<sup>20</sup>Atlanta. School rate includes \$1.50 levied on property in city limits for county schools. See footnote <sup>4</sup>.  
<sup>21</sup>Oakland. County rate includes \$.200 municipal water district, \$.50 regional park district and \$.10 mosquito abatement rates.  
<sup>22</sup>Memphis. City rate includes \$1.0 park and \$.30 library rate.  
<sup>23</sup>St. Paul. Homestead property taxed at \$91.57 (\$32.05 adjusted). See footnote <sup>5</sup>.  
<sup>24</sup>Providence. Assessed value does not include \$234,561.200 intangible personal property taxed at \$4.00 per \$1,000. See footnote <sup>1</sup>.  
<sup>25</sup>Akron. City rate includes \$1.02 Metropolitan Park Board rate.  
<sup>26</sup>Omaha. City rate includes \$1.00 sewage disposal and \$.80 relief rates.  
<sup>27</sup>Oklahoma City. Homesteads are taxed at \$12.91 per \$1,000.



| Census<br>1940 | Assessed<br>Value                  | Per Cent<br>Person-<br>ality | City<br>Fiscal<br>Year<br>Begins | Date City<br>Taxes (or<br>1st Install-<br>ment) Are<br>Due | No. of<br>Payments<br>City<br>Taxes | Actual Tax Rate as Levied Per<br>\$1,000 of Assessed Valuation |        |        |       | Ratio of<br>Value to<br>True Value<br>(Per Cent) | Tax Rate<br>Based on<br>Assess-<br>ment | Amount<br>of Home-<br>stead Ex-<br>emption |
|----------------|------------------------------------|------------------------------|----------------------------------|--|-------------------------------------|--|--------|--------|-------|--|---|--|
|                |                                    |                              |                                  |  |                                     | City   | School | County | State | Total  |   |  |
| 44(42)         | Worcester, Mass.                   | 193,694                      | Jan. 1                           | Oct. 1   | op.                                 | 25.78  | 8.79   | 1.22   | 1.81  | 37.60  | 37.60                                   | 44   |
| 45(44)         | Richmond, Va.                      | 193,042                      | Feb. 1                           | June 1   | 10                                  | 14.50  | 7.50   | N      | N     | 22.00  | 100                                     | 45   |
| 46( )          | Honolulu, Hawaii <sup>28</sup>     | 179,358                      | Jan. 1                           | Jan. 1   | 2                                   | 29.10  | —      | N      | N     | 29.10  | 80 <sup>2</sup>                         | 3,250                                      |
| 47(62)         | Fort Worth, Tex. <sup>29</sup>     | 177,662                      | Oct. 1                           | Jan. 1   | 2                                   | 21.10  | 11.00  | 9.00   | 6.90  | 48.00  | 61 <sup>3</sup>                         | 29.35                                      |
| 48(63)         | Jacksonville, Fla. <sup>30</sup>   | 173,065                      | Jan. 1                           | Nov. 1   | 1                                   | 22.00  | 25.00  | 23.70  | 6.97  | 77.67  | 50                                      | 38.84                                      |
| 49(78)         | Miami, Fla.                        | 172,172                      | July 1                           | Nov. 1   | 1                                   | 28.86  | 9.74   | 10.14  | N     | 48.74  | 68 <sup>8</sup>                         | 33.30                                      |
| 50(45)         | Youngstown, Ohio <sup>31</sup>     | 167,720                      | Jan. 1                           | Feb. 5   | 2                                   | 7.96   | 8.14   | 2.10   | N     | 18.20  | 80                                      | 5,000 <sup>e</sup>                         |
| 51(51)         | Nashville, Tenn.                   | 167,402                      | Aug. 1                           | Aug. 1   | 2                                   | 18.25  | 2.75   | 8.50   | .80   | 30.30  | 90                                      | 14.56                                      |
| 52(47)         | Hartford, Conn. <sup>32</sup>      | 166,267                      | April 1                          | Apr. 1   | 4                                   | 16.14  | 11.85  | .52    | 1.24  | 29.75  | 100                                     | 27.27                                      |
| 53(46)         | Grand Rapids, Mich. <sup>33</sup>  | 162,292                      | July 1                           | July 1   | 1                                   | 8.44   | 8.21   | 3.40   | N     | 20.05  | 100                                     | 29.75                                      |
| 54(57)         | Long Beach, Calif. <sup>34</sup>   | 164,271                      | July 1                           | Nov. 1   | 2                                   | 12.37  | 19.77  | 21.63  | N     | 53.77  | 53 <sup>3</sup>                         | 20.05                                      |
| 55(49)         | New Haven, Conn.                   | 160,605                      | Jan. 1                           | Jan. 1   | 2                                   | 17.66  | 9.84   | .32    | .68   | 28.30  | 100                                     | 28.74                                      |
| 56(56)         | Des Moines, Iowa <sup>35</sup>     | 159,819                      | April 1                          | Jan. 1   | 2                                   | 20.52  | 22.95  | 14.71  | 1.26  | 59.44  | 68                                      | 28.50                                      |
| 57(55)         | Flint, Mich. <sup>36</sup>         | 151,543                      | July 1                           | July 1   | 3                                   | 9.68   | 8.17   | 3.30   | N     | 21.15  | 100                                     | 40.42                                      |
| 58(59)         | Salt Lake City, Utah <sup>37</sup> | 149,934                      | Jan. 1                           | Nov. 1   | 1                                   | 15.15  | 13.27  | 6.50   | 6.70  | 41.62  | 70                                      | 21.15                                      |
| 59(52)         | Springfield, Mass.                 | 149,554                      | Jan. 1                           | July 1   | 2                                   | 19.14  | 11.12* | 1.62   | 2.62  | 34.50  | 100                                     | 29.13                                      |
| 60(54)         | Bridgeport, Conn.                  | 147,121                      | April 1                          | Apr. 1   | 2                                   | 21.61  | 5.50   | .24    | .95   | 28.30  | 100                                     | 34.50                                      |
| 61(62)         | Norfolk, Va.                       | 144,332                      | Jan. 1                           | Mar. 15  | 4                                   | 25.00  | —      | N      | N     | 25.00  | 100                                     | 28.30                                      |
| 62(61)         | Yonkers, N. Y. <sup>38</sup>       | 142,598                      | Jan. 1                           | Mar. 7   | 4                                   | 24.09  | 11.20  | 4.31   | 17    | 39.77  | See footnote No. 37                     | 25.00                                      |
| 63(58)         | Tulsa, Okla.                       | 142,157                      | July 1                           | Oct. 1   | 4                                   | 17.33  | 18.22  | 7.43   | N     | 42.98  | 50                                      | 21.49                                      |
| 64(55)         | Scranton, Pa. <sup>39</sup>        | 140,404                      | Jan. 1                           | Apr. 1   | 4                                   | 19.83  | 24.00  | 9.20   | N     | 53.03  | 70                                      | 37.12                                      |
| 65(60)         | Paterston, N. J. <sup>40</sup>     | 139,656                      | Jan. 1                           | Feb. 1   | 4                                   | 17.59  | 16.51  | 8.44   | 2.86  | 45.40  | 80                                      | 36.32                                      |
| 66(64)         | Albany, N. Y. <sup>41</sup>        | 130,577                      | Jan. 1                           | Jan. 1   | 1                                   | 24.62  | —      | 8.73   | .20   | 33.55  | See footnote No. 39                     | 25.00                                      |
| 67(67)         | Chattanooga, Tenn. <sup>42</sup>   | 128,163                      | Oct. 1                           | Oct. 1   | —                                   | 20.00  | 16.98  | 16.00  | .80   | 36.80  | 60                                      | 33.55                                      |
| 68(65)         | Trenton, N. J. <sup>43</sup>       | 124,697                      | Jan. 1                           | Feb. 1   | 4                                   | 19.69  | 16.98  | 8.11   | 2.82  | 47.60  | 85                                      | 22.08                                      |
| 69(70)         | Spokane, Wash. <sup>44</sup>       | 122,001                      | Jan. 1                           | Mar. 15  | 2                                   | 18.00  | 11.50  | 11.29  | 2.41  | 47.20  | 47                                      | 40.46                                      |
| 70(66)         | Kansas City, Kans.                 | 121,458                      | Jan. 1                           | Nov. 20  | 2                                   | 20.78  | 21.70  | 16.00  | 1.82  | 60.30  | 50                                      | 20.30                                      |

<sup>28</sup>Honolulu. Rate on real property shown; rate on personality is \$4.23. City rate includes cost of school and county government. Land assessed at 60%. Improvements at 100% of true value. *Homestead Exemption:* First \$1,500 of assessed value plus one-half of value between \$1,500 and \$5,000. Maximum exemption is \$3,250.

<sup>29</sup>Fort Worth. City rate includes \$3.60 water control district rate.

<sup>30</sup>Jacksonville. State rate includes inland navigation and canal rate. See note 52.

<sup>31</sup>Youngstown. City rate includes \$2.09 sanitary district and \$12 township park rate.

<sup>32</sup>Hartford. City rate includes \$.89 metropolitan district rate. Division of rates estimated on basis of appropriations.

<sup>33</sup>Grand Rapids. Special supplemental tax rate of \$1.42 levied for three-month interim (April 1 to June 30) caused by change in city fiscal year. See footnote 1.

<sup>34</sup>Long Beach. County rate includes \$4.80 metropolitan water district and \$2.20 county flood control rates.

<sup>35</sup>Des Moines. Moneys and credits taxed at 6 mills not included in assessed value. See footnote 1.

<sup>36</sup>Salt Lake City. County rate includes \$.20 mosquito abatement and \$.10 metropolitan water district rates. See footnote 1.

<sup>37</sup>Yonkers. Various assessment ratios reported. State Tax Commission reports 95%, local officials report 99%, and a third source indicates a ratio over 100% of true value. Adjusted rates are \$37.78, \$39.37 and some figure over \$39.77 respectively. See text for discussion.

<sup>38</sup>Scranton. City rate is weighted average of \$27.82 rate on land and \$13.91 rate on improvements. See footnote 1.

<sup>39</sup>Albany. State Tax Commission estimates assessment ratio at 88%, local officials at 96% of true value. Adjusted rates are \$28.52 and \$22.21 respectively. School rate included in city rate.

<sup>40</sup>Chattanooga, Knoxville, Pawtucket, Roanoke, Holyoke, Portsmouth, Pittsfield, Cranston. City rate includes school rate.

|                              | Census<br>1940                  | Assessed<br>Value | Per Cent<br>Realty | City<br>Fiscal<br>Year<br>Begins | Date City<br>Taxes (or<br>1st Install-<br>ment) Are<br>Due | No. of<br>Payments<br>City<br>Taxes | Actual Tax Rate as Levied Per<br>\$1,000 of Assessed Valuation |        |        |       | Estimated<br>Ratio of<br>Assessed<br>Value to<br>True Value<br>(Per Cent) | Adjusted<br>Tax Rate<br>on 100%<br>Basis of<br>Assess-<br>ment | Amount<br>of Home-<br>stead Ex-<br>emption |
|------------------------------|---------------------------------|-------------------|--------------------|----------------------------------|--|-------------------------------------|--|--------|--------|-------|---|--|--|
|                              |                                 |                   |                    |                                  |  |                                     | City   | School | County | State | Total   |  |  |
| 71(72)                       | Fort Wayne, Ind. <sup>a</sup>   | 118,410           | 75                 | Jan. 1                           | May 6  | 2                                   | 6.95   | 8.80   | 7.25   | 1.50  | 24.50   | 18.37  | 71   |
| 72(68)                       | Camden, N. J. <sup>a</sup>      | 136,500,009       | 86                 | Jan. 1                           | Feb. 1   | 4                                   | 20.71  | 15.54  | 10.30  | 2.25  | 48.80   | 34.16  | 72   |
| 73(69)                       | Erie, Pa. <sup>a</sup>          | 123,997,070       | 100                | Jan. 1                           | Jan. 1   | op.                                 | 14.00  | 17.00  | 7.00   | N     | 38.00   | 24.70  | 73   |
| 74(71)                       | Fall River, Mass. <sup>a</sup>  | 94,808,000        | 90                 | Jan. 1                           | July 1   | 2                                   | —  | —      | —      | —     | 42.40   | 42.40  | 74   |
| 75(77)                       | Wichita, Kans.                  | 118,805,314       | 76                 | Jan. 1                           | Nov. 1   | 2                                   | 13.70  | 18.57  | 8.91   | 2.22  | 43.40   | 30.38  | 75   |
| 76(80)                       | Wilmington, Del.                | 162,446,775       | 98                 | July 1                           | July 1   | —                                   | 14.50  | 1.50   | 4.00   | N     | 20.00   | 16.00  | 76   |
| 77(92)                       | Gary, Ind. <sup>a</sup>         | 134,280,760       | 65                 | Jan. 1                           | May 5  | 2                                   | 11.68  | 12.30  | 11.52  | 1.50  | 37.00   | 14.80  | 77   |
| 78(81)                       | Knoxville, Tenn. <sup>a</sup>   | 128,542,011       | 74                 | Jan. 1                           | May 1  | 12                                  | 26.50  | —      | 15.30  | .80   | 42.60   | 34.08  | 78   |
| 79(74)                       | Cambridge, Mass.                | Not reporting     | 26                 | Jan. 1                           | —  | —                                   | —  | —      | —      | —     | —   | —  | 79   |
| 80(76)                       | Reading, Pa. <sup>a</sup>       | 141,215,330       | 100                | Jan. 1                           | Mar. 1   | 1                                   | 11.00  | 15.00  | 6.50   | N     | 32.50   | 30.68  | 80   |
| 81(75)                       | New Bedford, Mass. <sup>a</sup> | 95,246,300        | 88                 | Jan. 1                           | July 1   | 2                                   | 41.23  | —      | 2.07   | 3.50  | 46.80   | 46.80  | 81   |
| 82(73)                       | Elizabeth, N. J. <sup>a</sup>   | 136,904,853       | 90                 | Jan. 1                           | Feb. 1   | 4                                   | 18.18  | 16.29  | 7.18   | 2.85  | 44.50   | 44.50  | 82   |
| 83(79)                       | Tacoma, Wash. <sup>a</sup>      | 49,205,896        | 77                 | Jan. 1                           | Feb. 15  | 2                                   | 23.17  | 14.00  | 16.27  | 2.75  | 56.19   | 28.10  | 83   |
| 84(83)                       | Canton, Ohio <sup>a</sup>       | 149,176,060       | 80                 | Jan. 1                           | Feb. 20  | 2                                   | 5.10   | 8.80   | 2.60   | N     | 16.50   | 13.20  | 84   |
| 85(91)                       | Tampa, Fla. <sup>a</sup>        | 64,907,160        | —                  | June 1                           | June 1   | —                                   | 34.50  | —      | —      | —     | —   | —  | 85   |
| 86(96)                       | Sacramento, Calif. <sup>a</sup> | 121,111,350       | 88                 | July 1                           | Nov. 1   | 2                                   | 18.90  | 17.20  | 14.20  | N     | 52.30   | 30.30  | 86   |
| 87(82)                       | Peoria, Ill. <sup>a</sup>       | 81,200,903        | 31                 | Jan. 1                           | Feb. 1   | 2                                   | 30.85  | 19.50  | 4.45   | N     | 52.80   | 17.42  | 87   |
| 88(85)                       | Somerville, Mass.               | 116,450,520       | 92                 | Jan. 1                           | Oct. 31  | 10                                  | 23.14  | 11.14  | 1.33   | 4.29  | 39.90   | 39.90  | 88   |
| 89(93)                       | Lowell, Mass.                   | 92,918,350        | 92                 | Jan. 1                           | Oct. 31  | 10                                  | 29.11  | 9.26   | 1.60   | 3.03  | 43.00   | 43.00  | 89   |
| 90(84)                       | South Bend, Ind. <sup>a</sup>   | 129,826,500       | 76                 | Jan. 1                           | May 5  | 2                                   | 8.35   | 11.40  | 8.35   | 1.50  | 29.60   | 20.72  | 90   |
| 91(90)                       | Duluth, Minn. <sup>a</sup>      | 48,791,248        | 78                 | Jan. 1                           | Jan. 6   | 4                                   | 42.99  | 39.56  | 22.40  | 9.65  | 114.60  | 37.82  | 91   |
| 92(103)                      | Charlotte, N. C. <sup>a</sup>   | 112,403,755       | 77                 | July 1                           | Oct. 6   | 12                                  | 11.74  | 3.06   | 8.90   | N     | 23.70   | 15.88  | 92   |
| 93(89)                       | Utica, N. Y. <sup>a</sup>       | 126,425,413       | 100                | Jan. 1                           | June 1   | 2                                   | 25.36  | 9.74   | 8.45   | .22   | 43.77   | 34.14  | 93   |
| Group IV                     |                                 |                   |                    |                                  |  |                                     |  |        |        |       |   |  |  |
| Population 50,000 to 100,000 |                                 |                   |                    |                                  |  |                                     |  |        |        |       |   |  |  |
| 94(94)                       | Waterbury, Conn.                | 170,116,092       | 79                 | Jan. 1                           | May 1  | 2                                   | 16.70  | 12.32  | .30    | 1.68  | 31.00   | 24.80  | 94   |
| 95(115)                      | Shreveport, La. <sup>a</sup>    | 102,384,994       | 70                 | Jan. 1                           | Dec. 1   | 1                                   | 16.00  | —      | 13.50  | —     | 29.50   | 19.77  | 95   |
| 96(87)                       | Lynn, Mass.                     | 130,279,495       | 92                 | Jan. 1                           | July 1   | 2                                   | 19.94  | 9.67   | 1.69   | 3.10  | 34.40   | 34.40  | 96   |
| 97(88)                       | Evansville, Ind. <sup>a</sup>   | 120,055,770       | 84                 | Jan. 1                           | May 5  | 2                                   | 9.40   | 10.60  | 12.10  | 1.50  | 33.60   | 33.60  | 97   |
| 98(97)                       | Allentown, Pa. <sup>a</sup>     | 105,303,700       | 100                | Jan. 6                           | Mar. 1   | 4                                   | 12.40  | 15.00  | 5.00   | N     | 32.40   | 24.30  | 98   |
| 99(86)                       | El Paso, Tex.                   | 76,884,590        | 78                 | Mar. 1                           | Mar. 1   | 4                                   | 13.50  | 11.50  | 7.10   | 6.90  | 39.00   | 25.90  | 99   |
| 100(102)                     | Savannah, Ga. <sup>a</sup>      | 60,043,726        | 80                 | Jan. 1                           | Feb. 1   | 2                                   | 23.00  | 10.00  | 12.50  | 5.00  | 50.50   | 30.30  | 100  |

<sup>a</sup>Gary. City rate includes \$2.00 sanitary district rate. County rate includes \$5.08 township rate.  
<sup>b</sup>Duluth. Rate shown applies to non-homesite property. Rate on homesites is \$106.19 (\$35.04 adjusted).  
<sup>c</sup>Charlotte. Assessed value for 1941 not available so 1940 assessment reported.  
<sup>d</sup>Shreveport. City rate includes school rate; county rate includes state rate.  
<sup>e</sup>Evansville. School rate includes \$.80 library rate; county rate includes \$.40 township rate.  
<sup>f</sup>Savannah. Rates and assessment for 1941 not available—1940 figures shown.

|          | Census<br>1940                     | Assessed<br>Value | Per Cent<br>Person-<br>ality | City<br>Fiscal<br>Year<br>Begins | Date City<br>Taxes (or<br>Instal-<br>ment) Are<br>Due | No. of<br>Payments<br>City<br>Taxes | Actual Tax Rate as Levied Per<br>\$1,000 of Assessed Valuation |        |        |       | Estimated<br>Ratio of<br>Value to<br>True Value<br>(Per Cent) | Adjusted<br>Tax Rate<br>on 100%<br>Basis of<br>Assess-<br>ment | Amount<br>of Home-<br>stead Ex-<br>emption |
|----------|------------------------------------|-------------------|------------------------------|----------------------------------|---|-------------------------------------|--|--------|--------|-------|---|--|--|
|          |                                    |                   |                              |                                  |   |                                     | City   | School | County | State | Total   |  |  |
| 101(106) | Little Rock, Ark.                  | 88,039            | Not reporting                |                                  |   |                                     |  |        |        |       |   |  | 101  |
| 102(107) | Austin, Tex. <sup>es</sup>         | 87,930            | 82                           | Jan. 1                           | Jan. 1  | 1                                   | 16.70  | 6.20   | 8.00   | 6.90  | 37.80   | 22.72  | 3,000 <sup>v</sup>                         |
| 103(108) | Schenectady, N. Y. <sup>es</sup>   | 87,549            | 100                          | Jan. 1                           | Jan. 2  | 4                                   | 15.37  | 10.08  | 8.05   | 19    | 33.69   | See footnote   | No. 54                                     |
| 104(95)  | Wilkes-Barre, Pa. <sup>es</sup>    | 86,256            | 92                           | Jan. 1                           | May 1   | op.                                 | 17.50  | 17.50  | 3.20   | 3.00  | 40.20   | 40.20  | 103  |
| 105(104) | Berkeley, Calif. <sup>es</sup>     | 85,547            | 94                           | July 1                           | Nov. 2  | 2                                   | 13.40  | 20.07  | 16.10  | N     | 49.57   | 26.80  | 104  |
| 106(100) | Rockford, Ill. <sup>es</sup>       | 84,637            | 71                           | Jan. 1                           | June 1  | 2                                   | 25.40  | 21.30  | 4.50   | N     | 51.20   | 15.87  | 105  |
| 107(101) | Lawrence, Mass.                    | 84,323            | 92                           | Jan. 1                           | July 1  | 2                                   | 20.20  | 14.53  | 1.97   | 3.10  | 39.80   | 39.80  | 106  |
| 108(109) | Harrisburg, Pa.                    | 83,893            | Not reporting                |                                  |   |                                     |  |        |        |       |   |  | 107  |
| 109(108) | Saginaw, Mich. <sup>es</sup>       | 82,704            | 83                           | July 1                           | July 1  | 8                                   | 9.16   | 6.91   | 3.35   | N     | 19.42   | 15.54  | 108  |
| 110(147) | Glendale, Calif. <sup>es</sup>     | 82,582            | —                            | July 1                           | Nov. 1  | 2                                   | 12.51  | 22.37  | 16.83  | N     | 51.71   | 25.86  | 109  |
| 111(110) | Sioux City, Iowa <sup>es</sup>     | 82,364            | 76                           | April 1                          | Jan. 1  | —                                   | 17.40  | 19.79  | 13.19  | 1.25  | 51.63   | 30.98  | 2,500 <sup>z</sup>                         |
| 112(117) | Lincoln, Neb. <sup>es</sup>        | 81,984            | 79                           | Sept. 1                          | Oct. 7  | 2                                   | 10.64  | 15.25  | 3.51   | 3.19  | 32.59   | 80   | 26.07                                      |
| 113(116) | Pasadena, Calif. <sup>es</sup>     | 81,864            | 90                           | July 1                           | Oct. 7  | 1                                   | 11.89  | 18.26  | 16.83  | N     | 46.98   | 56 <sup>z</sup>  | 111  |
| 114(103) | Altoona, Pa. <sup>es</sup>         | 80,214            | 70                           | Jan. 1                           | Mar. 1  | op.                                 | 12.50  | 17.00  | 4.50   | N     | 34.00   | 71 <sup>z</sup>  | 112  |
| 115(120) | Winston-Salem, N. C.               | 79,815            | 61                           | July 1                           | Oct. 1  | 1                                   | 12.75  | 2.25   | 5.50   | N     | 20.50   | 14.35  | note <sup>y</sup>                          |
| 116(98)  | Bayonne, N. J. <sup>a</sup>        | 79,198            | 84                           | Jan. 1                           | Feb. 1  | 4                                   | 23.65  | 16.42  | 9.94   | 2.71  | 52.72   | 100  | 52.72                                      |
| 117(118) | Huntington, W. Va.                 | 78,836            | 60                           | July 1                           | Nov. 1  | 2                                   | 5.00   | 9.50   | 4.46   | .08   | 19.04   | 80   | 15.23                                      |
| 118(111) | Lansing, Mich. <sup>es</sup>       | 78,753            | 83                           | May 1                            | July 21   | 1                                   | 13.26  | 9.40   | 3.50   | N     | 28.16   | 80   | 22.53                                      |
| 119(129) | Mobile, Ala.                       | 78,720            | 77                           | Oct. 1                           | Dec. 1  | 4                                   | 7.50   | 3.00   | 18.50  | 6.50  | 35.50   | 60   | 21.30                                      |
| 120(114) | Binghamton, N. Y. <sup>o</sup>     | 78,309            | 97                           | Jan. 1                           | Jan. 1  | 1                                   | 22.92  | 8.00   | 6.45   | —     | 37.37   | 92   | 34.38                                      |
| 121(136) | Montgomery, Ala.                   | 78,084            | 81                           | July 1                           | Dec. 1  | 1                                   | 12.50  | 9.00   | 4.50   | 6.50  | 32.50   | 25   | 8.13                                       |
| 122(119) | Niagara Falls, N. Y. <sup>o</sup>  | 78,029            | 100                          | Jan. 1                           | Nov. 1  | 2                                   | 17.46  | 11.01  | 4.92   | —     | 33.39   | 83   | 27.71                                      |
| 123(113) | Manchester, N. H.                  | 77,683            | Not reporting                |                                  |   |                                     |  |        |        |       |   |  | 121  |
| 124(123) | Quincy, Mass.                      | 75,810            | Not reporting                |                                  |   |                                     |  |        |        |       |   |  | 122  |
| 125(112) | Pawtucket, R. I. <sup>ao</sup>     | 75,797            | 70                           | Jan. 1                           | Oct. 15   | 4                                   | 21.00  | —      | N      | N     | 21.00   | 100  | 21.00                                      |
| 126(107) | St. Joseph, Mo.                    | 75,711            | 73                           | Apr. 21                          | May 5   | 1                                   | 15.00  | 12.80  | 7.50   | 1.50  | 36.80   | 65   | 23.92                                      |
| 127(121) | East St. Louis, Ill. <sup>es</sup> | 75,609            | 64                           | Jan. 1                           | May 1   | 2                                   | 32.09  | 27.50  | 6.30   | N     | 65.89   | 33   | 21.74                                      |
| 128(124) | Spingfield, Ill. <sup>es</sup>     | 75,503            | 81                           | Mar. 1                           | Aug. 1  | 2                                   | 27.15  | 17.00  | 6.00   | N     | 50.15   | 38   | 19.06                                      |
| 129(125) | Portland, Me. <sup>es</sup>        | 73,643            | 78                           | Aug. 1                           | Jan. 1  | op.                                 | 27.76  | 10.90  | 1.82   | 6.32  | 46.80   | 90   | 42.12                                      |
| 130(148) | Charleston, S. C.                  | 71,275            | 66                           | Jan. 1                           | Jan. 1  | —                                   | 62.00  | 31.00  | 16.00  | 1.00  | 110.00  | 25   | 27.50                                      |

<sup>es</sup>Sloux City. Assessed value does not include \$11,426,334 moneys and credits taxed at 6 mills.

<sup>a</sup>Lincoln. City rate includes \$1.00 sanitary district rate.

<sup>ao</sup>Pasadena. County rate includes \$2.20 flood control rate.

<sup>es</sup>East St. Louis. City rate includes \$5.40 levee, \$4.90 park, \$3.40 township, and \$1.33 health district rates.

<sup>es</sup>Springfield, Ill. City rate includes \$3.90 town, \$2.00 park, and \$3.97 sanitary district rate.

<sup>es</sup>Portland, Me. County rate includes \$.37 pier site and bridge district rate.

<sup>es</sup>Austin. Rate shown is for 1940.

<sup>es</sup>Schenectady. State tax Commission reports assessment ratio of 85%, local sources report 120% of true value. Adjusted rates are \$28.64 and \$40.43 respectively. See text of article for discussion.

<sup>es</sup>Berkeley. County rate includes \$2.00 water district, \$.50 regional park, and \$.10 mosquito abatement rates.

<sup>es</sup>Rockford. City rate includes \$.670 township rate, \$.440 sanitary district rate, and \$.150 park rate.

<sup>es</sup>Glendale. Rate for tax districts No. 2 and No. 3 shown. Rate in tax district No. 1 is \$51.75.



| Census<br>1940 | Assessed<br>Value                 | Per Cent<br>Person-<br>alty | City<br>Fiscal<br>Year<br>Begins | Date City<br>Taxes (or<br>1st Install-<br>ment) Are<br>Due | No. of<br>Payments<br>City<br>Taxes | Actual Tax Rate as<br>\$1,000 of Assessed Valuation |        |        | Estimated<br>Ratio of<br>Assessed<br>Value to<br>True Value<br>(Per Cent) | Adjusted<br>Tax Rate<br>on 100%<br>Basis of<br>Assess-<br>ment | Amount<br>of Home-<br>stead Ex-<br>emption |
|----------------|-----------------------------------|-----------------------------|----------------------------------|--|-------------------------------------|---|--------|--------|---|--|--|
|                |                                   |                             |                                  |  |                                     | City  | School | County |   |  |  |
| 131(128)       | Springfield, Ohio                 | 70,662                      | Not reporting                    |  |                                     |   |        |        |   |  | 131  |
| 132(122)       | Troy, N. Y. <sup>o</sup>          | 70,304                      | 4                                | Jan. 1   | 2                                   | 29.81   | 9.21   | 13.05  | 80  | 41.66  | 132  |
| 133(140)       | Hammond, Ind. <sup>ea</sup>       | 71,396,665                  | 74                               | May 1  | 5                                   | 13.00   | 13.53  | 10.37  | 60  | 23.04  | 133  |
| 134(137)       | Newton, Mass. <sup>h</sup>        | 69,873                      | 90                               | Jan. 1   | 2                                   | —   | —      | —      | 100   | 28.00  | 134  |
| 135(127)       | Roanoke, Va. <sup>so</sup>        | 65,436,339                  | 86                               | Mar. 1   | 4                                   | 25.00   | —      | —      | 50  | 12.50  | 135  |
| 136(126)       | Lakewood, Ohio <sup>a</sup>       | 94,411,050                  | 91                               | Jan. 1   | 9                                   | 7.44  | 12.96  | 5.70   | 75  | 19.58  | 136  |
| 137(131)       | East Orange, N. J. <sup>a</sup>   | 68,945                      | 93                               | Jan. 1   | 4                                   | 18.93   | 11.80  | 7.00   | 100   | 40.70  | 137  |
| 138(130)       | New Britain, Conn.                | 68,685                      | 82                               | Apr. 1   | 1                                   | 15.25   | 12.21  | 4.47   | 100   | 29.25  | 138  |
| 139(163)       | San Jose, Calif. <sup>ee</sup>    | 68,457                      | —                                | Nov. 1   | 2                                   | 13.77   | 16.84  | 15.04  | 50  | 22.83  | 139  |
| 140(152)       | Charleston, W. Va.                | 67,914                      | Not reporting                    |  |                                     |   |        |        |   |  | 140  |
| 141(141)       | Topeka, Kans.                     | 67,833                      | 56                               | Jan. 1   | 2                                   | 15.46   | 16.26  | 6.92   | 70  | 28.28  | 141  |
| 142(160)       | Madison, Wis.                     | 67,447                      | 90                               | Jan. 1   | 5                                   | 9.68  | 11.48  | 5.14   | 98  | 25.97  | 142  |
| 143(150)       | Mt. Vernon, N. Y. <sup>o</sup>    | 67,362                      | 100                              | Jan. 1   | 2                                   | 14.38   | 12.95  | 7.58   | 88  | 30.88  | 143  |
| 144(132)       | Racine, Wis.                      | 67,195                      | 90                               | Jan. 1   | 2                                   | 6.11  | 11.11  | 9.94   | 92  | 25.19  | 144  |
| 145(133)       | Johnstown, Pa. <sup>a</sup>       | 66,668                      | 92                               | Mar. 1   | 1                                   | 12.50   | 17.00  | 6.00   | 100   | 35.50  | 145  |
| 146(139)       | Pontiac, Mich. <sup>j</sup>       | 66,626                      | 69                               | Aug. 1   | 1                                   | 12.52   | 8.46   | 5.59   | 100   | 26.57  | 146  |
| 147(151)       | Davenport, Iowa                   | 66,039                      | 92                               | Sept. 1  | 1                                   | 16.00   | 16.38  | 10.63  | 125   | 26.56  | 147  |
| 148(142)       | Oak Park, Ill. <sup>aa</sup>      | 66,015                      | 83                               | May 1  | 2                                   | 29.40   | 32.00  | 8.30   | 100   | 69.70  | 148  |
| 149(153)       | Augusta, Ga.                      | 65,919                      | 71                               | Jan. 1   | 3                                   | 21.50   | 14.00  | 9.00   | 57 <sup>g</sup>   | 28.33  | 149  |
| 150(198)       | Phoenix, Ariz.                    | 65,414                      | 76                               | Oct. 1   | 2                                   | 17.90   | 14.40  | 4.80   | 67 <sup>g</sup>   | 53.80  | 150  |
| 151(144)       | Evanston, Ill. <sup>or</sup>      | 65,389                      | 81                               | Mar. 1   | 2                                   | 26.79   | 33.26  | 7.00   | See footnote No. 67   | 67.05  | 151  |
| 152(134)       | Cicero, Ill.                      | 64,712                      | Not reporting                    |  |                                     |   |        |        |   |  | 152  |
| 153(135)       | Atlantic City, N. J. <sup>a</sup> | 64,094                      | 92                               | Feb. 1   | 4                                   | 34.73   | 10.54  | 11.63  | 100   | 59.80  | 153  |
| 154(188)       | Dearborn, Mich. <sup>j</sup>      | 63,584                      | 62                               | July 1   | 4                                   | 12.49   | 9.41   | 5.78   | 100   | 27.68  | 154  |
| 155(155)       | Medford, Mass.                    | 63,083                      | Not reporting                    |  |                                     |   |        |        |   |  | 155  |
| 156(146)       | Terre Haute, Ind. <sup>o</sup>    | 62,693                      | 66                               | Jan. 1   | 2                                   | 14.22   | 13.46  | 10.02  | 80  | 31.36  | 156  |
| 157(185)       | Columbia, S. C.                   | 62,396                      | Not reporting                    |  |                                     |   |        |        |   |  | 157  |
| 158(143)       | Brockton, Mass.                   | 62,343                      | Not reporting                    |  |                                     |   |        |        |   |  | 158  |
| 159(169)       | Cedar Rapids, Iowa <sup>aa</sup>  | 62,120                      | 79                               | April 1  | 2                                   | 14.73   | 19.30  | 8.86   | 60  | 26.46  | 159  |
| 160(197)       | Jackson, Miss.                    | 62,107                      | Not reporting                    |  |                                     |   |        |        |   |  | 160  |
| 161(138)       | Covington, Ky.                    | 62,018                      | 74                               | Jan. 1   | 2                                   | 14.80   | 11.40  | 5.60   | 70  | 22.61  | 161  |
| 162(145)       | Passaic, N. J. <sup>a</sup>       | 61,394                      | 87                               | Feb. 1   | 4                                   | 23.78   | 14.60  | 8.38   | 100   | 49.60  | 162  |

<sup>ea</sup>Hammond. City rate includes \$2.70 sanitary district rate; school rate includes \$6.63 library rate.

<sup>ee</sup>San Jose.. Rate shown does not include \$4.90 water conservation rate levied on land value only.

<sup>or</sup>Oak Park. City rate includes \$7.60 sanitary district, \$3.20 township poor relief, and \$3.20 park district rates. County rate includes \$1.00 forest preserve and \$9.00 mosquito abatement and driveway maintenance rates. State tax Commission reports an

assessment ratio of 32% of true value for Cook County; local assessor reports 37%. Adjusted rates are \$22.30 and \$25.79 respectively.  
<sup>so</sup>Roanoke. City rate includes \$3.00 poor relief, \$1.10 township, and \$7.60 sanitary district rates. County rate includes \$5.50 mosquito abatement and \$1.10 forest preserve rates. State Tax Commission reports 32% assessment ratio; local assessor reports 37%. Adjusted rates are \$21.46 and \$24.81 respectively.  
<sup>aa</sup>Cedar Rapids. Assessed value does not include \$24,401,992 moneys and credits taxed at 6 mills.



|  | Census<br>1940 | Assessed<br>Value | Per Cent<br>Person-<br>alty | City<br>Fiscal<br>Year<br>Begins | Date City<br>Taxes (or<br>1st Install-<br>ment) Are<br>Due | No. of<br>Payments<br>(City<br>Taxes) | Actual Tax Rate as Levied Per<br>\$1,000 of Assessed Valuation |        |        |       | Estimated<br>Ratio of<br>Assessed<br>Value to<br>True Value<br>(Per Cent) | Adjusted<br>Tax Rate<br>on 100%<br>Basis of<br>Assess-<br>ment | Amount<br>of Home-<br>stead Ex-<br>emption |
|--|----------------|-------------------|-----------------------------|----------------------------------|--|---------------------------------------|--|--------|--------|-------|---|--|--|
|  |                |                   |                             |                                  |  |                                       | City   | School | County | State | Total   |  |  |
| 196(212) Portsmouth, Va. <sup>40</sup>     | 50,745         | 33,407,239        | 95                          | Jan. 1                           | June 30  | 2                                     | 25.00  | —      | N      | N     | 25.00   | 70   | 17.50                                      |
| 197(183) Hamilton, Ohio                    | 50,592         | 66,694,361        | 84                          | Jan. 1                           | Apr. 1   | 2                                     | 7.63   | 7.98   | 2.37   | N     | 17.98   | 70   | 12.59                                      |
| 198(156) Hoboken, N. J.                    | 50,115         | Not reporting     | 16                          |                                  |  |                                       |  |        |        |       |   |  |  |
| <b>Group V</b>                             |                |                   |                             |                                  |  |                                       |  |        |        |       |   |  |  |
| Population 30,000 to 50,000                |                |                   |                             |                                  |  |                                       |  |        |        |       |   |  |  |
| 199(168) Hamtramck, Mich.                  | 49,839         | 75,295,800        | 63                          | July 1                           | July 15  | 2                                     | 20.00  | 10.50  | 6.18   | N     | 36.68   | 80   | 29.34                                      |
| 200(200) Brookline, Mass.                  | 49,785         | Not reporting     |                             |                                  |  |                                       |  |        |        |       |   |  |  |
| 201(206) Muncie, Ind.                      | 49,720         | Not reporting     |                             |                                  |  |                                       |  |        |        |       |   |  |  |
| 202(192) Pittsfield, Mass. <sup>40</sup>   | 49,684         | 59,715,400        | 92                          | Jan. 1                           | July 1   | 2                                     | 30.31  | —      | 2.01   | 2.88  | 35.20   | 100  | 35.20                                      |
| 203(171) Jackson, Mich.                    | 49,656         | 68,350,535        | 86                          | July 1                           | July 20  | 5                                     | 9.33   | 8.52*  | 4.55   | N     | 22.40   | 80   | 17.92                                      |
| 204(210) Lexington, Ky.                    | 49,404         | 50,560,580        | 87                          | Jan. 1                           | June 30  | 2                                     | 18.00  | 7.80   | —      | N     | —   | 100  | 25.00                                      |
| 205(193) Woonsocket, R. I.*                | 49,303         | 73,778,300        | 75                          | Jan. 1                           | Oct. 10  | 4                                     | 25.00  | —      | —      | N     | 25.00   | 100  | 25.00                                      |
| 206(204) Clinton, N. J. <sup>40</sup>      | 48,827         | Not reporting     |                             |                                  |  |                                       |  |        |        |       |   |  |  |
| 207(207) Kenosha, Wis.                     | 48,765         | 71,325,040        | 90                          | Jan. 1                           | Jan. 1   | 2                                     | 9.67   | 12.83  | 11.71  | .79   | 35.00   | 85   | 29.75                                      |
| 208(203) Berwyn, Ill. <sup>76</sup>        | 48,451         | 20,812,508        | 91                          | Jan. 1                           | —  | 2                                     | 30.30  | 40.10  | 11.90  | N     | 82.30   | See footnote No. 77  |  |
| 209(202) Bay City, Mich. <sup>40</sup>     | 47,956         | 43,766,880        | 82                          | July 1                           | Aug. 1   | 1                                     | 18.98  | 8.90   | 7.33*  | N     | 35.21   | 75   | 26.41                                      |
| 210(207) Stamford, Conn.                   | 47,938         | Not reporting     |                             |                                  |  |                                       |  |        |        |       |   |  |  |
| 211(229) Muskegon, Mich. <sup>40</sup>     | 47,697         | 52,458,550        | 80                          | Jan. 1                           | Dec. 1   | 1                                     | 8.39   | 9.93   | 5.08   | N     | 23.40   | 100  | 23.40                                      |
| 212(195) New Castle, Pa. <sup>40</sup>     | 47,684         | 50,107,160        | 93                          | Jan. 1                           | Feb. 1   | op.                                   | 10.50  | 17.50  | 3.00   | N     | 31.00   | 98½  | 30.40                                      |
| 213(205) Aurora, Ill. <sup>76</sup>        | 47,170         | 26,900,000*       | 7                           | Jan. 1                           | —  | 2                                     | 26.90  | 23.80  | 4.60   | N     | 55.30   | 32   | 17.70                                      |
| 214(223) Cranston, R. I. <sup>40</sup>     | 47,085         | 77,832,340        | —                           | Oct. 1                           | Oct. 15  | 4                                     | 23.00  | —      | —      | N     | 23.00   | 90   | 20.70                                      |
| 215(251) Raleigh, N. C.                    | 46,897         | 53,140,881        | 81                          | July 1                           | Oct. 1   | op.                                   | 13.50  | 2.60   | 6.10   | N     | 22.20   | 70   | 15.54                                      |
| 216(196) Everett, Mass.                    | 46,784         | 73,308,725        | 87                          | Jan. 1                           | July 1   | 2                                     | 22.37  | 7.26   | 1.27   | 4.50  | 35.40   | 100  | 35.40                                      |
| 217(194) Haverhill, Mass.                  | 46,752         | 49,819,400        | 90                          | Jan. 1                           | July 1   | 1                                     | 29.40  | 7.49   | 1.40   | 1.71  | 40.00   | 100  | 40.00                                      |
| 218(250) Green Bay, Wis. <sup>76</sup>     | 46,235         | 54,608,255        | 90                          | Jan. 1                           | Jan. 1   | 2                                     | 11.75  | 14.65  | 6.85   | .25   | 33.50   | 80   | 26.80                                      |
| 219(187) Port Arthur, Tex.                 | 46,140         | 29,365,270        | 82                          | July 1                           | Oct. 1   | 2                                     | 19.00  | 7.50   | —      | —     | —   | —  | 3,000*                                     |
| 220(216) Wichita Falls, Tex.               | 45,112         | Not reporting     |                             |                                  |  |                                       |  |        |        |       |   |  |  |
| 221(201) Elmira, N. Y. <sup>9</sup>        | 45,106         | 48,723,189        | 88                          | Jan. 1                           | May 15   | 2                                     | 26.88  | 9.96   | 6.76   | —     | 43.60   | 80   | 34.88                                      |
| 222(225) Lima, Ohio                        | 44,711         | 52,700,000        | 80                          | Jan. 1                           | Dec. 20  | 2                                     | 9.15   | 7.55   | 3.80   | N     | 20.50   | 70   | 14.35                                      |
| 223(233) Lynchburg, Va.                    | 44,541         | 42,672,696        | 92                          | Jan. 1                           | July 1   | 3                                     | 12.00  | 11.50  | N      | N     | 23.50   | 70   | 16.45                                      |
| 224(211) Williamsport, Pa. <sup>40</sup>   | 44,355         | 29,482,720        | 100                         | Jan. 6                           | Apr. 1   | op.                                   | 13.75  | 22.00  | 11.00  | N     | 46.75   | 55½  | 25.85                                      |
| 225(214) Lorain, Ohio                      | 44,125         | 83,000,000        | 88                          | Jan. 1                           | Jan. 20  | 2                                     | 6.12   | 6.14   | 2.44   | N     | 14.70   | 100  | 14.70                                      |
| 226(228) Dubuque, Iowa                     | 43,892         | 34,720,580        | 100                         | April 1                          | Apr. 1   | 2                                     | 19.27  | 16.61  | 9.94   | 1.28  | 47.10   | 60   | 28.26                                      |
| 227(236) Ogden, Utah                       | 43,688         | Not reporting     |                             |                                  |  |                                       |  |        |        |       |   |  |  |
| 228(269) San Bernardino, Calif.            | 43,646         | 29,009,555        | —                           | July 1                           | Nov. 1   | 2                                     | 12.06  | 15.50  | 17.65  | N     | 45.21   | 50   | 22.61                                      |
| 229(217) Battle Creek, Mich. <sup>40</sup> | 43,453         | 68,521,950        | 79                          | July 1                           | July 14  | 1                                     | 9.60   | 7.10   | 3.10   | N     | 19.80   | 100  | 19.80                                      |
| 230(230) Warren, Ohio                      | 42,837         | 56,240,891        | 81                          | Jan. 1                           | Dec. 20  | 2                                     | 5.90   | 8.20   | 3.50   | N     | 17.60   | 80   | 14.08                                      |

\*Aurora. City rate includes \$4.00 sanitary district, \$2.60 road and bridge, and \$4.10 township rates.  
 \*Green Bay. City rate includes \$2.00 metropolitan sewage district rate.

\*Berwyn. City rate includes \$7.60 sanitary district, \$1.40 public health, \$3.00 town-ship poor relief, and \$1.10 township rates. State Tax Commission reports 32% assessment ratio; local assessor reports 37%. Adjusted rates are \$26.34 and \$30.45



|          | Census<br>1940                    | Assessed<br>Value | Per Cent<br>Person-<br>alty | City<br>Fiscal<br>Year<br>Begins | Date City<br>Taxes (or<br>Instal-<br>ment) Are<br>Due | No. of<br>Pay-<br>ments<br>City<br>Taxes | Actual Tax Rate as<br>\$1,000 of Assessed Valuation |        |        | Estimated<br>Ratio of<br>Assessed<br>Value to<br>True Value<br>(Per Cent) | Adjusted<br>Tax Rate<br>on 100%<br>Basis of<br>Asses-<br>ment | Amount<br>of Home-<br>stead Ex-<br>emption |
|----------|-----------------------------------|-------------------|-----------------------------|----------------------------------|---|--|---|--------|--------|---|---|--|
|          |                                   |                   |                             |                                  |   |  | City  | School | County | State   | Total   |  |
| 231(247) | Rock Island, Ill. <sup>80</sup>   | 22,217,392        | 77                          | 23                               | April 1   | Apr. 1                                   | 18.30   | 24.50  | 7.20   | N   | 50.00   | 231  |
| 232(240) | La Crosse, Wis.                   | 51,811,930        | 89                          | 11                               | Jan. 1  | Apr. 1                                   | —   | —      | —      | —   | 18.50   | 232  |
| 233(213) | Jamestown, N. Y. <sup>o</sup>     | 56,609,945        | 100                         | 11                               | Jan. 1  | Apr. 29                                  | 14.61   | 12.87  | 6.49   | —   | 28.71   | 233  |
| 234(222) | Joliet, Ill. <sup>81</sup>        | 22,047,305        | 79                          | 21                               | Jan. 1  | May 30                                   | 26.20   | 34.40  | 8.40   | N   | 33.97   | 234  |
| 235(232) | Fitchburg, Mass.                  | 41,824            | 84                          | 16                               | Jan. 1  | July 1                                   | 22.45   | 11.98  | 1.42   | 2.15  | 20.70   | 235  |
| 236(215) | Chicopee, Mass. <sup>h</sup>      | 37,554,530        | 93                          | 7                                | Jan. 1  | July 1                                   | —   | —      | —      | —   | 38.00   | 236  |
| 237(246) | Bloomfield, N. J. <sup>a</sup>    | 66,294,569        | 89                          | 11                               | Jan. 1  | Feb. 1                                   | 14.00   | 14.50  | 7.20   | 3.00  | 40.00   | 237  |
| 238(238) | Anderson, Ind. <sup>d</sup>       | 34,673,570        | 80                          | 20                               | Jan. 1  | —  | 2.30  | 15.80  | 6.00   | 1.50  | 38.70   | 238  |
| 239(226) | Council Bluffs, Iowa              | 41,572            | 82                          | 18                               | Jan. 1  | Jan. 1                                   | 26.12   | 29.77  | 10.33  | 1.27  | 21.86   | 239  |
| 240(209) | Chelsea, Mass.                    | 20,343,769        | 82                          | 10                               | Jan. 1  | July 1                                   | 34.71   | 9.96   | N      | 5.13  | 40.49   | 240  |
| 241(218) | Perth Amboy, N. J. <sup>a</sup>   | 45,168,037        | —                           | —                                | Jan. 1  | Feb. 1                                   | 21.37   | 18.67  | 12.23  | 2.83  | 49.80   | 241  |
| 242(219) | Salem, Mass.                      | 53,967,640        | 88                          | 12                               | Jan. 1  | Oct. 1                                   | 17.72   | 9.83   | 3.07   | 2.88  | 55.10   | 242  |
| 243(284) | Sioux Falls, S. Dak.              | 43,248,862        | 81                          | 19                               | Jan. 1  | Jan. 1                                   | 13.33   | 12.72  | 5.24   | N   | 33.50   | 243  |
| 244(268) | Sheboygan, Wis.                   | 51,015,575        | 88                          | 12                               | Jan. 1  | Jan. 31                                  | 19.21   | 11.03  | 6.01   | .23   | 23.30   | 244  |
| 245(235) | Poughkeepsie, N. Y. <sup>o</sup>  | 52,069,164        | 100                         | —                                | Jan. 1  | Jan. 15                                  | 26.10   | 7.90   | 5.80   | —   | 32.83   | 245  |
| 246(244) | Quincy, Ill. <sup>82</sup>        | 34,207,765        | 66                          | 34                               | May 1   | Jan. 1                                   | 16.00   | 15.00  | 4.60   | N   | 27.85   | 246  |
| 247(224) | Portsmouth, Ohio <sup>a</sup>     | 49,485,908        | 92                          | 8                                | Jan. 1  | June 1                                   | 8.58  | 9.11   | 4.01   | N   | 19.58   | 247  |
| 248(265) | White Plains, N. Y. <sup>o</sup>  | 138,148,490       | 100                         | —                                | Jan. 1  | Jan. 2                                   | 14.12   | 11.14  | 6.96   | N   | 21.70   | 248  |
| 249(243) | Waltham, Mass.                    | 50,624,300        | 93                          | 7                                | Jan. 1  | July 1                                   | 32.10   | —      | 1.05   | 2.85  | 29.00   | 249  |
| 250(261) | Arlington, Mass. <sup>h</sup>     | 57,668,400        | 95                          | 5                                | Jan. 1  | Oct. 1                                   | —   | —      | —      | —   | 36.00   | 250  |
| 251(262) | Norwalk, Conn. <sup>83</sup>      | 73,361,246        | 85                          | 15                               | Sept. 1   | Oct. 1                                   | —   | —      | —      | —   | 34.80   | 251  |
| 252(227) | Montclair, N. J. <sup>a</sup>     | Not reporting     | —                           | —                                | Oct. 1  | Oct. 1                                   | —   | —      | —      | —   | 20.40   | 252  |
| 253(230) | East Cleveland, Ohio <sup>a</sup> | 53,467,950        | 87                          | 13                               | Jan. 1  | Dec. 20                                  | 7.70  | 12.90  | 5.70   | N   | 25.2  | 253  |
| 254(245) | Meriden, Conn.                    | 60,536,180        | 83                          | 17                               | Jan. 1  | Jan. 5                                   | 14.30   | 11.80  | .30    | .60   | 17.10   | 254  |
| 255(248) | Cumberland, Md.                   | 47,400,000        | 89                          | 11                               | April 1   | July 14                                  | 11.00   | 5.49   | 8.81   | 2.34  | 27.00   | 255  |
| 256(231) | Keary, N. J. <sup>a</sup>         | 77,647,974        | 88                          | 12                               | Jan. 1  | Feb. 1                                   | 13.97   | 10.91  | 10.31  | 2.78  | 27.64   | 256  |
| 257(254) | West New York, N. J. <sup>a</sup> | 42,296,088        | 81                          | 19                               | Jan. 1  | Feb. 1                                   | 25.54   | 19.08  | 10.06  | 2.73  | 34.45   | 257  |
| 258(288) | Laredo, Tex.                      | 20,238,496        | —                           | —                                | July 1  | Nov. 11                                  | 16.65   | 7.65   | 8.50   | 6.90  | 37.00   | 258  |
| 259(237) | Oshkosh, Wis.                     | 42,379,875        | 89                          | 11                               | Jan. 1  | Jan. 1                                   | 16.99   | 15.00  | 4.96   | .65   | 27.14   | 259  |
| 260      | Alhambra, Calif.                  | Not reporting     | —                           | —                                | Jan. 1  | Jan. 1                                   | —   | —      | —      | —   | 34.59   | 260  |
| 261(270) | Lewiston, Me.                     | 32,337,650        | 86                          | 14                               | April 1   | Sept. 15                                 | —   | —      | —      | —   | 24.68   | 261  |
| 262(257) | High Point, N. C.                 | Not reporting     | —                           | —                                | April 1   | Sept. 15                                 | —   | —      | —      | —   | 19.00   | 262  |
| 263(263) | Elgin, Ill. <sup>84</sup>         | 22,028,568        | 77                          | 23                               | Jan. 1  | Apr. 1                                   | 25.40   | 23.80  | 4.60   | N   | 53.80   | 263  |
| 264(264) | Norristown, Pa. <sup>a</sup>      | 22,901,305        | 100                         | —                                | Jan. 1  | June 1                                   | 12.50   | 23.50  | 2.50   | N   | 38.50   | 264  |
| 265(255) | Hazleton, Pa. <sup>a</sup>        | 29,599,961        | 92                          | 8                                | Jan. 6  | Apr. 1                                   | 14.50   | 28.00  | 8.20   | N   | 50.70   | 265  |

<sup>80</sup>Rock Island. City rate includes \$3.80 township, and \$1.20 street and bridge rate.  
<sup>81</sup>Joliet. City rate includes \$3.30 road and bridge, \$5.20 township, and \$3.90 park district rates. Assessment ratio is State Tax Commission estimate. Local estimate is 28% of true value.  
<sup>82</sup>Quincy. City rate includes \$3.40 town, \$5.00 sewer, and \$1.00 health rates.

<sup>83</sup>Norwalk. Rate shown is for districts 2 and 3 comprising 38% of total assessed value. City is composed of six taxing districts. Rate for districts 1, 4, 5, and 6 are \$27.80, \$6.80, \$18.70, and 22.40 respectively.  
<sup>84</sup>Elgin. City rate includes \$4.40 sanitary district and \$6.70 township rate.

|          | Census<br>1940                 | Assessed<br>Value | Per Cent<br>Person-<br>ality | City<br>Fiscal<br>Year<br>Begins | Date City<br>Taxes (or<br>1st Install-<br>ment) Are<br>Due | No. of<br>Payments<br>City<br>Taxes | Actual Tax Rate as Levied Per<br>\$1,000 of Assessed Valuation |       |       | Estimated<br>Ratio of<br>Assessed<br>Value to<br>True Value<br>(Per Cent) | Adjusted<br>Tax Rate<br>on 100%<br>Basis of<br>Assess-<br>ment | Amount<br>of Home-<br>stead Ex-<br>emption |
|----------|--------------------------------|-------------------|------------------------------|----------------------------------|--|-------------------------------------|--|-------|-------|---|--|--|
| 266(267) | Steuenville, Ohio <sup>a</sup> | 52,229,190        | 86                           | Jan. 1                           | Dec. 20  | 2                                   | 5.20   | 8.30  | 2.30  | N   | 15.80  | 266  |
| 267(259) | Zanesville, Ohio               | 37,500            | Not reporting                | Jan. 1                           | Feb. 1   | 4                                   | 15.84  | 16.31 | 7.26  | 2.89  | 42.30  | 267  |
| 268(276) | Plainfield, N. J. <sup>a</sup> | 59,028,340        | 90                           | Jan. 1                           | Oct. 1   | 10                                  | 20.00  | —     | —     | —   | —  | 268  |
| 269(297) | Pensacola, Fla.                | 37,449            | 27,990,098                   | Oct. 1                           | —  | —                                   | —  | —     | —     | —   | —  | 269  |
| 270(252) | Taunton, Mass.                 | 37,395            | Not reporting                | —                                | —  | —                                   | —  | —     | —     | —   | —  | 270  |
| 271(280) | Mansfield, Ohio <sup>a</sup>   | 56,210,650        | 80                           | Jan. 1                           | Dec. 20  | 2                                   | 5.40   | 8.10  | 2.50  | N   | 16.00  | 271  |
| 272(281) | Joplin, Mo.                    | 37,144            | 23,200,000                   | Jan. 1                           | Sept. 1  | 1                                   | 16.40  | 17.50 | 6.00  | 1.20  | 41.10  | 272  |
| 273(241) | Butte, Mont.                   | 37,081            | Not reporting                | Jan. 1                           | —  | —                                   | —  | —     | —     | —   | —  | 273  |
| 274(277) | Newport News, Va.              | 37,067            | 37,229,824                   | Jan. 1                           | Dec. 5   | 1                                   | 17.40  | 13.10 | N     | N   | 30.50  | 274  |
| 275      | Gadsden, Ala.                  | 36,975            | 15,863,307                   | Oct. 1                           | Jan. 1   | 2                                   | 10.00  | 3.00  | 11.50 | 6.50  | 31.00  | 275  |
| 276(256) | Danville, Ill. <sup>ss</sup>   | 36,919            | 20,385,459                   | May 1                            | Apr. 1   | 2                                   | 26.50  | 23.50 | 6.00  | N   | 56.00  | 276  |
| 277(289) | Tucson, Ariz.                  | 36,818            | 23,284,690                   | July 1                           | Sept. 1  | 2                                   | 27.33  | 16.76 | 3.34  | 16.70   | 64.13  | 277  |
| 278(285) | Colorado Springs, Colo.        | 36,789            | 28,435,310                   | Jan. 1                           | Mar. 1   | 2                                   | 12.50  | 22.57 | 6.47  | 4.35  | 45.89  | 278  |
| 279      | Orlando, Fla.                  | 36,736            | 52,674,975                   | Jan. 1                           | Nov. 1   | 1                                   | 15.00  | —     | —     | —   | —  | 279  |
| 280(299) | Fort Smith, Ark.               | 36,584            | 16,889,500                   | Jan. 1                           | Apr. 10  | 3                                   | 6.37   | 18.00 | 9.00  | 9.00  | 42.37  | 280  |
| 281(273) | West Allis, Wis. <sup>ss</sup> | 36,364            | 58,755,783                   | Jan. 1                           | Jan. 1   | op.                                 | 13.38  | 13.58 | 11.74 | .23   | 38.93  | 281  |
| 282(269) | Alameda, Calif.                | 36,256            | 31,872,460                   | July 1                           | Nov. 1   | 2                                   | 15.80  | 18.90 | 16.10 | N   | 50.80  | 282  |
| 283(258) | Auburn, N. Y. <sup>o</sup>     | 35,753            | 51,220,335                   | July 1                           | July 1   | 2                                   | 18.86  | 6.51  | 3.73  | —   | 29.10  | 283  |
| 284(268) | Orange, N. J. <sup>a</sup>     | 35,717            | 43,077,642                   | Jan. 1                           | Feb. 1   | 4                                   | 13.50  | 14.21 | 7.22  | 3.07  | 38.00  | 284  |
| 285(296) | Meridian, Miss.                | 35,481            | 23,397,977                   | Oct. 1                           | Feb. 1   | 3                                   | 16.00  | 13.00 | 15.60 | 6.00  | 50.60  | 285  |
| 286      | Albuquerque, N. Mex.           | 35,449            | 21,831,754                   | July 1                           | Nov. 1   | 2                                   | 16.21  | 4.80  | 11.93 | 6.20  | 39.14  | 286  |
| 287(271) | Watertown, Mass. <sup>b</sup>  | 35,427            | 51,343,955                   | Jan. 1                           | Nov. 1   | 1                                   | —  | —     | —     | —   | —  | 287  |
| 288(290) | Richmond, Ind. <sup>st</sup>   | 35,147            | 34,934,616                   | Jan. 1                           | May 4  | 2                                   | 3.25   | 13.35 | 8.60  | 1.40  | 26.60  | 288  |
| 289(260) | Superior, Wis.                 | 35,136            | 39,691,095                   | Jan. 1                           | Mar. 1   | 1                                   | 6.70   | 13.14 | 15.45 | .21   | 37.50  | 289  |
| 290(278) | Santa Barbara, Calif.          | 34,958            | 47,238,530                   | July 1                           | Nov. 1   | 2                                   | 14.60  | 13.00 | 15.00 | N   | 42.60  | 290  |
| 291      | Greenville, S. C.              | 34,734            | 10,194,795                   | Jan. 1                           | Aug. 15  | 1                                   | 43.00  | —     | —     | —   | —  | 291  |
| 292(306) | Baton Rouge, La.               | 34,719            | Not reporting                | Jan. 1                           | —  | —                                   | —  | —     | —     | —   | —  | 292  |
| 293      | Riverside, Calif.              | 34,696            | 25,548,140                   | July 1                           | Oct. 1   | 2                                   | 12.00  | 17.00 | 22.20 | N   | 51.20  | 293  |
| 294(293) | Moline, Ill. <sup>ss</sup>     | 34,608            | 22,204,767                   | April 1                          | May 1  | 2                                   | 19.50  | 26.30 | 7.20  | N   | 53.00  | 294  |
| 295(266) | Revere, Mass.                  | 34,405            | Not reporting                | —                                | —  | —                                   | —  | —     | —     | —   | —  | 295  |
| 296      | Burbank, Calif. <sup>ss</sup>  | 34,337            | 49,501,175                   | July 1                           | Nov. 1   | 2                                   | 11.90  | 16.71 | 21.73 | N   | 50.34  | 296  |
| 297(282) | Waukegan, Ill.                 | 34,241            | Not reporting                | —                                | —  | —                                   | —  | —     | —     | —   | —  | 297  |
| 298(291) | Rome, N. Y. <sup>o</sup>       | 34,214            | 28,933,418                   | Jan. 1                           | Apr. 1   | 2                                   | 21.65  | 12.25 | 9.78  | —   | 43.68  | 298  |
| 299(283) | Norwood, Ohio                  | 34,010            | Not reporting                | —                                | —  | —                                   | —  | —     | —     | —   | —  | 299  |
| 300(287) | Kokomo, Ind.                   | 33,795            | Not reporting                | —                                | —  | —                                   | —  | —     | —     | —   | —  | 300  |

<sup>ss</sup>Danville, Ill. City rate includes \$2.50 sanitary district, \$5.40 township, and \$3.00 road and bridge rates.

<sup>o</sup>West Allis. City rate includes \$3.48 metropolitan sewer rate.

<sup>st</sup>Richmond. County rate includes \$1.70 township and \$2.70 poor relief rates.

<sup>ss</sup>Moline. City rate includes \$1.20 street and bridge and \$3.90 township rate.

<sup>ss</sup>Burbank. County rate includes \$2.20 flood control and \$4.80 water district rates.

|          | Census<br>1940                      | Assessed<br>Value | Per Cent<br>Person-<br>alty | City<br>Fiscal<br>Year<br>Begins | Date City<br>Taxes (or<br>Instal-<br>ment) Are<br>Due | No. of<br>Payments<br>City<br>Taxes | Actual Tax Rate as Levied Per<br>\$1,000 of Assessed Valuation |        |        |       | Estimated<br>Ratio of<br>Assessed<br>Value to<br>True Value<br>(Per Cent) | Adjusted<br>Tax Rate<br>on 100%<br>Basis of<br>Assess-<br>ment | Amount<br>of Home-<br>stead Ex-<br>emption |
|----------|-------------------------------------|-------------------|-----------------------------|----------------------------------|---|-------------------------------------|--|--------|--------|-------|---|--|--|
|          |                                     |                   |                             |                                  |   |                                     | City   | School | County | State | Total   |  |  |
| 301      | West Hartford, Conn.                | 33,776            | 91                          | Mar. 1                           | May 1   | 1                                   | —  | —      | —      | —     | 19.00   | 19.00  | 301  |
| 302(279) | Paducah, Ky.                        | 33,765            | Not reporting               | Not reporting                    | Nov. 3  | 1                                   | 35.25  | —      | —      | —     | —   | —  | 302  |
| 303      | West Palm Beach, Fla.               | 33,693            | 89                          | Oct. 1                           | Nov. 3  | 4                                   | 12.00  | 14.50  | 8.50   | N     | 35.00   | 32.45  | 303  |
| 304(275) | Easton, Pa.                         | 33,589            | 100                         | Jan. 1                           | —   | —                                   | —  | —      | —      | —     | —   | —  | 304  |
| 305      | Alexandria, Va.                     | 33,523            | Not reporting               | Not reporting                    | —   | —                                   | —  | —      | —      | —     | —   | —  | 305  |
| 306(286) | Elkhart, Ind. <sup>d</sup>          | 33,434            | 92                          | Jan. 1                           | Jan. 1  | 2                                   | 9.40   | 10.20  | 8.40   | 1.50  | 29.50   | 17.70  | 306  |
| 307(292) | Wilmington, N. C.                   | 33,407            | 83                          | July 1                           | Oct. 6  | 1                                   | 15.00  | 3.89   | 4.11   | N     | 23.00   | 19.55  | 307  |
| 308(294) | Watertown, N. Y. <sup>o</sup>       | 33,385            | 100                         | July 1                           | July 1  | 1                                   | 17.10  | 11.90  | 8.35   | —     | 37.35   | 34.36  | 308  |
| 309(272) | Amsterdam, N. Y. <sup>o</sup>       | 33,329            | 100                         | Jan. 1                           | June 10   | op.                                 | 23.52  | 24.66  | 13.82  | —     | 62.00   | 40.30  | 309  |
| 310(274) | New Brunswick, N. J. <sup>n</sup>   | 33,180            | 92                          | Jan. 1                           | Feb. 1  | 4                                   | 22.10  | 12.90  | 11.80  | 2.70  | 49.50   | 34.65  | 310  |
| 311      | University City, Mo.                | 33,023            | 85                          | July 1                           | Sept. 1   | 1                                   | 8.80   | 13.80  | 9.70   | 1.20  | 33.50   | 16.75  | 311  |
| 312(298) | Nashua, N. H. <sup>o</sup>          | 32,927            | 67                          | Jan. 1                           | Dec. 1  | —                                   | 19.03  | 9.47*  | 7.30   | N     | 35.80   | 35.80  | 312  |
| 313(303) | Bloomington, Ill.                   | 32,868            | Not reporting               | Not reporting                    | —   | —                                   | —  | —      | —      | —     | —   | —  | 313  |
| 314(300) | Port Huron, Mich. <sup>j</sup>      | 32,759            | 87                          | May 1                            | July 1  | 1                                   | 14.94  | 9.14   | 7.41   | N     | 31.49   | 31.49  | 314  |
| 315      | Danville, Va. <sup>o</sup>          | 32,749            | 69                          | Jan. 1                           | July 1  | 2                                   | 11.00  | 7.50   | N      | N     | 18.50   | 11.10  | 315  |
| 316      | Fargo, N. Dak.                      | 32,580            | Not reporting               | Not reporting                    | Jan. 1  | 1                                   | 8.50   | 7.14   | 3.86   | 2.34  | 21.84   | 21.84  | 316  |
| 317(304) | Hagerstown, Md.                     | 32,491            | 40,000.000                  | Not reporting                    | Jan. 1  | 1                                   | 55.00  | 33.00  | 25.00  | 1.00  | 114.00  | 14.82  | 317  |
| 318(295) | Muskogee, Okla.                     | 32,332            | Not reporting               | Not reporting                    | Sept. 15  | —                                   | 23.40  | —      | N      | N     | 23.40   | 16.38  | 318  |
| 319      | Spartanburg, S. C. <sup>o</sup>     | 32,240            | 62                          | Jan. 1                           | Sept. 15  | 4                                   | —  | —      | —      | —     | —   | —  | 319  |
| 320      | East Providence, R. I. <sup>o</sup> | 32,165            | 80                          | Oct. 1                           | Sept. 15  | 4                                   | —  | —      | —      | —     | —   | —  | 320  |
| 321(309) | Santa Ana, Calif. <sup>o</sup>      | 31,921            | 44                          | July 1                           | Nov. 1  | 2                                   | 17.80  | 21.60  | 14.94  | N     | 54.34   | 27.17  | 321  |
| 322(301) | Newburgh, N. Y.                     | 31,883            | Not reporting               | Not reporting                    | Oct. 1  | 1                                   | 11.00  | 9.50   | 5.00   | 5.80  | 31.30   | 20.66  | 322  |
| 323      | Lubbock, Texas                      | 31,853            | 78                          | Apr. 1                           | Oct. 1  | 1                                   | —  | —      | —      | —     | —   | —  | 323  |
| 324      | Ottumwa, Iowa                       | 31,570            | Not reporting               | Not reporting                    | Dec. 1  | 2                                   | 4.55   | 8.95   | 3.50   | N     | 17.00   | 11.90  | 324  |
| 325(307) | Newark, Ohio <sup>a</sup>           | 31,487            | 88                          | Jan. 1                           | Dec. 1  | 2                                   | 20.30  | 22.50  | 5.95   | N     | 48.75   | 15.11  | 325  |
| 326(310) | Alton, Ill. <sup>o</sup>            | 31,255            | 72                          | April 1                          | June 1  | 2                                   | 23.10  | 21.90  | 16.70  | —     | 61.70   | 27.77  | 326  |
| 327      | Middletown, Ohio                    | 31,220            | Not reporting               | Not reporting                    | —   | —                                   | —  | —      | —      | —     | —   | —  | 327  |
| 328      | Salem, Ore.                         | 30,908            | —                           | —                                | —   | —                                   | —  | —      | —      | —     | —   | —  | 328  |
| 329(302) | Marion, Ohio                        | 30,817            | Not reporting               | Not reporting                    | Jan. 1  | 1                                   | 9.12   | 16.01  | 9.63   | .24   | 35.00   | 30.80  | 329  |
| 330      | Eau Claire, Wis.                    | 30,745            | 88                          | Jan. 1                           | Jan. 1  | 1                                   | —  | —      | —      | —     | —   | —  | 330  |
| 331      | Newport, Ky. <sup>o</sup>           | 30,631            | Not reporting               | Not reporting                    | Mar. 31   | 4                                   | 23.50  | —      | N      | N     | 23.50   | 23.50  | 331  |
| 332      | Petersburg, Va. <sup>o</sup>        | 30,631            | 87                          | Jan. 1                           | Aug. 1  | 1                                   | 14.50  | 8.75   | 6.54   | N     | 29.79   | 20.85  | 332  |
| 333      | Wyandotte, Mich. <sup>j</sup>       | 30,618            | 89                          | Oct. 1                           | Aug. 1  | 1                                   | —  | —      | —      | —     | —   | —  | 333  |
| 334      | Clarksburg, W. Va.                  | 30,579            | Not reporting               | Not reporting                    | July 15   | 4                                   | 24.50  | —      | N      | N     | 24.50   | 24.50  | 334  |
| 335      | Newport, R. I. <sup>o</sup>         | 30,532            | 61                          | April 1                          | July 15   | 4                                   | —  | —      | —      | —     | —   | —  | 335  |

<sup>o</sup>Nashua. School rate estimated on basis of appropriation.  
<sup>d</sup>Danville, Va. Rate for real estate reported. Rate on personal property, machinery, and tools is \$20.00.  
<sup>a</sup>Spartanburg. City rate includes \$7.00 metropolitan sewer district rate.  
<sup>o</sup>East Providence, Petersburg, Newport. City rate includes school rate.  
<sup>o</sup>Santa Ana. County rate includes \$4.80 water district and \$1.34 harbor and flood control rates.  
<sup>o</sup>Alton. City rate includes \$4.00 town tax.



|                                       | Census 1940 | Assessed Value | Per Cent Realty | City Fiscal Year Begins | Date City Taxes (or 1st Installment) Are Due | No. of Payments City Taxes | Actual Tax Rate as Levied Per \$1,000 of Assessed Valuation |        |        | Estimated Ratio of Assessed Value to True Value (Per Cent) | Adjusted Tax Rate on 100% Basis of Assessment | Amount of Home-stead Exemption |
|---------------------------------------|-------------|----------------|-----------------|-------------------------|--|----------------------------|---|--------|--------|--|---|--------------------------------|
|                                       |             |                |                 |                         |  |                            | City  | School | County | State  | Total   |                                |
| 336 New London, Conn.                 | 30,456      | 50,035,189     | 88              | Oct. 1                  | Apr. 15                                      | 2                          | 15.00   | 13.70  | 6.00   | .50  | 30.00   | 336                            |
| 337 Owensboro, Ky.                    | 30,245      | 14,464,470     | 74              | June 1                  | June 1                                       | 2                          | 23.70   | 12.00  | 10.00  | 2.80   | 48.50   | 337                            |
| 338(308) Everett, Wash. <sup>80</sup> | 30,234      | 15,680,704     | 69              | Jan. 1                  | —  | —                          |   |        |        |  |   | 338                            |
| 339 Bristol, Conn.                    | 30,167      | Not reporting  | 31              | July 1                  | Dec. 5                                       | 2                          | 11.80   | 22.42  | 19.54  | N  | 53.76   | 339                            |
| 340 Inglewood, Calif.                 | 30,114      | 18,948,110     | 90              | July 1                  | Oct. 1                                       | 2                          | 5.80  | 10.16  | 4.06   | .08  | 20.10   | 340                            |
| 341 Parkersburg, W. Va. <sup>87</sup> | 30,103      | 44,424,350     | 63              | July 1                  | Nov. 1                                       | 2                          | 14.99   | 15.78  | 3.59   | 2.22   | 36.58   | 341                            |
| 342 West Haven, Conn.                 | 30,021      | Not reporting  | 37              | Jan. 1                  | Oct. 1                                       | 2                          |   |        |        |  |   | note <sup>7</sup>              |
| 343 Hutchinson, Kans.                 | 30,013      | 28,852,100     | 71              | Jan. 1                  | Nov. 1                                       | 2                          |   |        |        |  |   | 343                            |
| <b>Canadian Cities</b>                |             |                |                 |                         |  |                            |   |        |        |  |   |                                |
| (1(1) Montreal, Que. <sup>88</sup>    | 910,000     | 928,796,517    | 100             | May 1                   | Oct. 1                                       | 1                          | 17.88   | 12.00  | N      |  | Total   | 1                              |
| (2(2) Toronto, Ont. <sup>89</sup>     | 648,300     | 947,641,883    | 100             | Jan. 1                  | May 9  | 3                          | 23.15   | 11.45  | N      |  | 29.88   | 2                              |
| (3(3) Vancouver, B. C.                | 272,382     | 207,629,295    | 100             | Jan. 1                  | Jan. 1                                       | 1                          | 34.18   | 15.82  | N      |  | 34.60   | 3                              |
| (4(4) Winnipeg, Man.                  | 213,814     | 179,920,074    | 100             | Jan. 1                  | May 1  | 1                          | 15.56   | 19.65  | N      |  | 35.00   | 4                              |
| (5(5) Hamilton, Ont. <sup>90</sup>    | 155,836     | 165,323,652    | 100             | Jan. 1                  | Apr. 1                                       | 4                          | 21.54   | 15.46  | N      |  | 70 <sup>8</sup>                               | 5                              |
| (6(6) Quebec, Que. <sup>91</sup>      | 151,432     | 116,621,038    | 100             | May 1                   | July 1                                       | op.                        | 26.20   | 11.00  | N      |  | 37.20   | 6                              |
| (7(7) Ottawa, Ont. <sup>92</sup>      | 150,277     | 155,145,374    | 100             | Jan. 1                  | June 18                                      | 2                          | 23.53   | 11.47  | N      |  | 37.00   | 7                              |
| (8(8) Windsor, Ont.                   | 103,567     | 95,740,110     | 100             | Jan. 1                  | May 15                                       | 5                          | 19.99   | 20.01  | N      |  | 40.00   | 8                              |
| (9(10) Edmonton, Alta.                | 91,723      | 56,136,095     | 100             | Jan. 1                  | May 16                                       | 4                          | 24.75   | 26.75  | N      |  | 40.00   | 9                              |
| (10(9) Calgary, Alta. <sup>93</sup>   | 85,726      | 55,536,952     | 100             | Jan. 1                  | June 25                                      | op.                        | 20.81   | 23.69  | N      |  | 51.50   | 10                             |
| (11(11) London, Ont.                  | 77,369      | 83,968,675     | 100             | Jan. 1                  | June 18                                      | 3                          | 24.68   | 14.32  | N      |  | 44.50   | 11                             |
| (12(12) Verdun, Que. <sup>94</sup>    | 64,314      | 41,184,830     | 100             | Jan. 1                  | Jan. 1                                       | 1                          | 15.00   | 10.00  | N      |  | 39.00   | 12                             |
| (13(13) Halifax, N. S.                | 63,582      | 62,191,470     | 100             | May 1                   | May 1  | 2                          | 25.20   | 11.30  | N      |  | 25.00   | 13                             |
| (14(14) Regina, Sask. <sup>95</sup>   | 53,389      | 40,744,410     | 100             | Jan. 1                  | June 30                                      | 2                          | 27.01   | 20.45  | N      |  | 37.40   | 14                             |
| (15(15) St. John, N. B.               | 50,200      | Not reporting  | 100             | Jan. 1                  | —  | 2                          |   |        | 2.04   |  | 49.50   | 15                             |
| (16(16) Saskatoon, Sask.              | 41,734      | 31,054,921     | 100             | Jan. 1                  | July 15                                      | 2                          | 16.65   | 25.57  | 2.08   |  | 44.30   | 16                             |
| (17(18) Three Rivers, Que.            | 40,185      | Not reporting  | 100             | Jan. 1                  | Aug. 15                                      | op.                        | 26.81   | 11.19  | N      |  | 72 <sup>8</sup>                               | 17                             |
| (18(17) Victoria, B. C.               | 39,082      | 44,236,887     | 100             | Jan. 1                  | —  | 2                          |   |        |        |  | 38.00   | 18                             |

<sup>80</sup>Everett. City rate includes \$1.50 public utility and \$2.50 port district rates. See footnote x.

<sup>87</sup>Parkersburg. Rate shown is full rate applied to Group IV property (50% of total assessed value). Rate on Group I (20% of assessment) is \$5.03 and on Group II property (30% of assessment) is \$10.05.

<sup>88</sup>Montreal. Neutral school rate shown; Catholic and Protestant school rates are \$10.00 each.

<sup>89</sup>Toronto. Assessed value includes \$71,922,657 taxed at school rate only. Public school rate shown; separate school rate is \$15.65.

<sup>90</sup>Hamilton. Public school rate shown.

<sup>91</sup>Quebec. Neutral school rate shown.

<sup>92</sup>Ottawa. City rate includes \$5.00 water and \$4.70 improvement rates.

<sup>93</sup>Calgary. Public school rate shown. Separate school rate is \$19.02.

<sup>94</sup>Regina. Rate shown does not include \$3.66 levy on land only for provincial government social services tax.

<sup>95</sup>Verdun. Protestant school rate shown. Catholic school rate is \$13.00, neutral is \$12.00.

<sup>96</sup>Regina. Public school rate shown. Separate school rate is \$27.96.

•**Alabama.** The legal basis of assessment is 60 per cent of true value. The rates shown are actual rates. *Homestead Exemption:* First \$2,000 of assessed value of homesteads exempt from state tax only.

•**Arkansas.** No state tax levy on property after 1941. *Homestead Exemption:* The first \$1,000 of assessed value of homesteads exempt from state tax only.

•**Florida.** *Homestead Exemption:* The first \$5,000 of the assessed value of homesteads is exempt from state and all local taxes except debt service or obligations incurred prior to the passage of the amendment.

•**Georgia.** Intangibles are assessed at 100% of true value and taxes at 3 mills by state only. *Homestead Exemption:* First \$2,000 of assessed value of homesteads exempt from state, county, and school district rates except for debt service on debt incurred previous to act.

•**Indiana.** County tax rate includes township rate. Library rate included in school rate.

•**Iowa.** *Homestead Exemption:* Amount of homestead exemption is determined by the Board of Assessment and Review each year. The maximum exemption is 25 mills on the first \$2,500 of assessed values or \$62.50 which was allowed in 1941. This applies to the state and all local units of government.

•**Louisiana.** *Homestead Exemption:* Applies to state and parish taxes only, except that New Orleans (no other city) may also exempt homesteads from city taxes. Maximum exemption is \$2,000, allowed hereafter. New homes are exempt from all state and local levies for three years following their completion.

•**Massachusetts.** In many cities the division of the total rate into city, school, county, and state purposes is not available and only the total rate is shown.

•**Michigan.** County rates shown were fixed to cover fiscal year starting December 1, 1940. The new rates are not fixed in time for inclusion in this report except in Wayne County this year.

•**Minnesota.** *Property Classification:* There are five classes of property assessed at varying percentages of true value: platted real estate at 40%, except the first \$4,000 of homesteads which is assessed at 25%; unplatted real estate at 33 1/3%, except first \$4,000 of homesteads at 20%; iron ore at 50%; and personality in three classes at 10%, 25%, and 33 1/3%. The first \$4,000 of true value of homesteads is exempt further from state tax levies except debt service on obligations issued prior

to the enactment of the law. Assessments average 35% of true value in Minneapolis and St. Paul, and 33% in Duluth. Tax rates shown are actual rates.

•**Mississippi.** *Homestead Exemption:* First \$5,000 of assessed value exempt from state taxes and levies for maintenance and current expenses of counties, school districts, and road districts.

•**New Jersey.** The soldiers bonus formerly included in state tax levy has been discontinued. Entire levy now consists of a school tax which is distributed back to the school districts. For comparison with former years this item is left under state rate, although it might justifiably be added to the school rate.

•**New York.** Realty valuations include public utilities. Where state rate is not shown it is included in county rate.

•**North Carolina.** *Homestead Exemption:* Authorized but enabling legislation not yet enacted.

•**Ohio.** Realty assessment includes public utility valuations.

•**Oklahoma.** *Homestead Exemption:* The first \$1,000 of the assessed value of homesteads is exempt from tax rates for all units. Debt service charges on obligations incurred prior to this act are specifically allowed.

•**Pennsylvania.** Tangible personal property is not subject to city rate except as noted. Intangible personal property—not included in assessments—is subject to a 4 mill state and a 4 mill county rate.

•**Rhode Island.** There is no county government in Rhode Island. State does not tax real property.

•**South Dakota.** *Homestead Exemption:* Homesteads are exempt from state tax levies only. However, the state tax has been abolished on all property.

•**Texas.** *Homestead Exemption:* First \$3,000 of assessed value of homesteads is exempt from state taxes only.

•**Utah.** *Homestead Exemption:* Authorized but not effective.

•**Washington.** Legal basis of assessment is 50% of true value.

•**West Virginia.** *Property Classification:* Property in cities is divided into three classes: Class I property (intangible personal property) pays 1/4 of full rate. Class II (property occupied by the owner as a residence) pays 1/2 of full rate. Class IV (all real and personal property not in Class I or II) pays the full rate. *Homestead Exemption:* Homesteads may be taxed at not more than 1% of assessed value.

# Contributors in Review

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**C**HAMPION of tax-free state and municipal securities, **Henry Epstein**, Solicitor General of New York State, (*Shall We Tax Government Bonds?—No*) is known over the country for the vigorous presentation of his position from the public rostrum. His pen is no less pointed than his oratory. For ten years he has served New York State, briefly as first assistant attorney-general and for the past nine years in his present post, arguing such history-making cases before the United States Supreme Court as the minimum wage case and the social security unemployment insurance law. Educated in New York City's public schools, he graduated from Harvard College in 1915, attended Harvard's Graduate School, served as a high school instructor, and graduated from Harvard's Law School in 1921, meanwhile having served in the United States Naval Reserve and tutored at Harvard College.

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**T**HE career of **Edward H. Foley, Jr.**, (*Shall We Tax Government Bonds?—Yes*) nationally known advocate of abolishing the tax-free feature of government bonds, can accurately be described as meteoric. At thirty-six he already has served as general counsel of the United States Treasury for three years. With an LL.B. from Fordham University in 1929 he entered practice in the New York firm of Hawkins, Delafield and Longfellow. After three years he went to Washington as an attorney for the RFC, moved over to the Federal Emergency Administration of Public Works to become general counsel, and from there to the Treasury and his present post, to set a record of advancement seldom equaled in the national capital.

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**I**N *Wanted: A New Road to Municipal Home Rule*, his second home rule article in the REVIEW, Chicago's Corporation Counsel **Barnet Hodes** is writing on a subject close to his heart and to his work in a city that is heavily shackled with state-made regulations. Since we last mentioned his career (see October REVIEW, page 587) Mr. Hodes has received new honors and responsibilities by virtue of his election as chairman of the American Bar Association's municipal law section. He now becomes also an ex-officio member of the Association's House of Delegates.

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**T**HE REVIEW continues to be indebted to **Rosina K. Mohaupt** (*Comparative Tax Rates of 311 Cities: 1941*) for her annual compilation of municipal tax figures. Miss Mohaupt is statistician of the Detroit Bureau of Governmental Research and author of the REVIEW's statistics on municipal debt appearing each year in June. She is co-author of *The English System for the Taxation of Real Property on an Income Basis* and the *Exemption of Homesteads from Taxation*, as well as other publications of the Detroit bureau.



# Researcher's Digest: December

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*Case study of an Alabama county, comparing New Hampshire cities, war and New Orleans, Milwaukee and WPA, strip-tease and research, urbanism file, Kansas City studies.*

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A CERTAIN professor in a university school of journalism used to require his students to climax their semester under his tutelage by writing a governmental portrait of any community they chose. The results of these labors were remarkably varied. One student would turn out a dissertation dealing entirely with laws and leaving out the people. Another would present a moving portrait of the population with a curious vagueness about governmental departments and procedures. A third would copy the city's annual report and let it go at that. The professor had a hard time grading the papers.

He would certainly have given an "A" to the second of the case studies of the **Bureau of Public Administration of the University of Alabama, Tennessee Valley County** (1941, 117 pp.), prepared by Karl A. Bosworth with the coöperation of a host of Alabama officials. This study of a county which is supposed to be typical of rural government in the hill country of Alabama leaves out neither people nor laws nor administrative practice nor politics, nor even statistics. Chapter by chapter and function by function it attacks the political mores of the county, making a study which is especially interesting because it deals with "moonshining" people who have been exposed to the dynamically modern governmental practice of the TVA. Mr. Bosworth's concluding chapters make it clear that, on the whole, moonshine has had more influence than TVA.

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## City Profiles

It is all very well to paint a picture of government in a given community,

but once you've got it, what are you going to do with it? Almost like an answer to this question, which might possibly rise in one's mind after reading the Alabama study, is *A Comparison of New Hampshire Cities and Towns on Certain Factors*, which has been produced by Lashley G. Harvey of the **Bureau of Government Research of the University of New Hampshire** (1941, 26 pp.). The bureau has used the severely statistical approach (as opposed to Alabama's human approach) by means of Professor M. B. Lambie's technique of profile rating of municipalities. The device is supposed to make it possible for the citizen to evaluate his city or town in comparison with others within his state.

The bureau selected twelve rating factors for this study, which is intended only as preliminary to further studies: population per square mile, per capita assessed valuation, average annual current receipts (ten years), average annual expenditure (ten years), per cent of taxes collected on assessments, tax rate, per cent tax assessed paid schools, per cent tax assessed paid county, per cent tax assessed paid precincts, per capita total bonded debt, per capita net debt, per cent net debt to assessed value. The result is a neatly ranged series of 234 bar charts, each representing the profile ratings of as many New Hampshire cities and towns. Frequency distribution charts are added to help in interpreting the results.

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## Disaster's Silver Lining

Four major recommendations emerge as a result of the **New Orleans Bureau of Governmental Research** study of

*Problems of War, Defense and Disaster* (City Problems, No. 75): (1) the civil defense plan for the city should be extended to cover disaster planning; (2) non-defense projects should be deferred and incorporated in a long-term plan; (3) maintenance of present facilities should be intensified; (4) local agencies should forego loans, retire debt as rapidly as possible, and devote increased effort to economy and increased departmental efficiency. "One silver lining to the black necessity of a defense plan," the bureau adds, is that it will force the city to adopt a disaster plan which will serve for other emergencies as well as war.

### **Down with Work Relief**

*Local Governments in Milwaukee County Should Drop WPA* is both the title and the recommendation of a report of the **Citizens' Bureau of Milwaukee**. Tax savings which would result in 1942, the bureau asserts, would be \$475,000 in local taxes, \$4,275,000 in federal taxes. Basis for the recommendation: WPA costs local taxpayers 28 per cent more per case than a general relief case. Twenty-two pages of argument and statistics bulwark the bureau's case.

### **History of a Bureau**

The September issue of *Nation's Business* carried a story with the joyful caption, "Light for Dark Tax Corners." Over a provocative illustration is a subtitle which begins "Once New Jersey tax dollars hired a strip tease performer." The story is about the **New Jersey State Chamber of Commerce Governmental Research Bureau** which, according to the article, was responsible for the end of tax dollars' connection with strip-teasing. If you don't think a research bureau's work is glamorous, read the article. It's a history of the New Jersey bureau.

### **For Urban Reference**

A brochure from the recently established **Bureau of Urban Research** at Princeton University describes the elaborate urban reference file which the bureau has set up to integrate existing information and research relating to the different fields involved in urbanism and to set up a simple system of tapping and using the urban research, information, thought, and ideas which already exist. The pamphlet illustrates the organization of the file and gives actual samples of the reference cards.

### **Purchasing; Schools**

The **Civic Research Institute of Kansas City** is responsible for two recent substantial reports on local operations. *Purchasing Organization and Procedures in Kansas City* (39 pp.) was a study made at the request of the city manager; *Enrollment Trends in Kansas City Schools* (34 pp.) is intended to help in administrative planning for the future.

## **Research Bureau Reports Received**

### **County Government**

**Tennessee Valley County.** Rural government in the Hill Country of Alabama. By Karl A. Bosworth. Bureau of Public Administration, University of Alabama, University, 1941. vii, 117 pp.

### **Defense**

**Problems of War, Defense, and Disaster.** New Orleans Bureau of Governmental Research, *City Problems*, October 21, 1941. 6 pp.

### **Education**

**Enrollment Trends in Kansas City Schools.** Kansas City (Mo.) Civic Research Institute, October 1941. 34 pp. mimeo.

**Governmental Measurement**

**A Comparison of New Hampshire Cities and Towns on Certain Factors.** By Lashley G. Harvey. Bureau of Government Research, University of New Hampshire, Durham, 1941. 30 pp.

**Governmental Research**

**The Urban Reference.** The Bureau of Research, Princeton University, Princeton, N. J., 1941. 8 pp.

**Purchasing**

**Purchasing Organization and Procedures in Kansas City.** Kansas City (Mo.) Civic Research Institute, July 1941. 39 pp. mimeo.

**Public Welfare**

**Local Governments in Milwaukee County Should Drop WPA.** Citizens Bureau of Milwaukee, October 1941. 22 pp. mimeo.

**EDITORIALS**

(Continued from Page 673)

the debt of cities is downward. It and the debt of counties and states should continue in that direction in order that they may be ready to shoulder their share of the responsibility which lies ahead. Circumstances may compel local and state governments to tackle the reconstruction problem just as they did the relief load in the early days of the depression until means were found to transfer it to the national government.

Possibly the experts will be fooled, as they were before the stock market crash of 1929, but all available evidence points to the very probable

need for an expanded public works program after the war finally has been won; and, with the passing of each additional month, there is greater cause to believe that local, county, and state government will have to shoulder a considerable share of the burden.

**NEW ROAD TO MUNICIPAL HOME RULE**

(Continued from Page 691)

gestion which will have an immediate utility and also pave the way for broader revision of legal concepts relating to home rule.

In 1916 one of the first major reports on the progress of municipal home rule was written—*The Law and the Practice of Municipal Home Rule*, by Howard Lee McBain.<sup>3</sup> Another major study carried this survey of progress from 1916 to 1930—*The Law and Practice of Municipal Home Rule, 1916-1930*, by Joseph D. McGoldrick.<sup>4</sup> What is now needed is not a progress report, but a report for progress.

If this means that the home rule movement must part with the past in order to attain success, let us do that. Our democratic society certainly has developed the research institutions and facilities to chart a new course. Perhaps all we need to do is use those facilities and boldly.

<sup>3</sup>Columbia University Press, 1917.

<sup>4</sup>Columbia University Press, 1933.

EDITOR'S NOTE.—This is the second of two articles on home rule by Mr. Hodes. The first appeared in the NATIONAL MUNICIPAL REVIEW for October 1941.



# News in Review

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## City, State, Nation

*Edited by H. M. Olmsted*

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### Cities Face Virtual Moratorium on Capital Outlay

#### *New York City Comptroller Points Effect of Priorities*

IN HIS capital budget message to the New York City Board of Estimate on November 16 Comptroller Joseph D. McGoldrick stated that the national defense situation, necessitating priority ratings for many materials needed for capital improvements and causing serious shortages of others, will substantially bring about a "moratorium" on non-defense building, both public and private. He stated:

"If the city is able to maintain its plant in reasonably good condition and complete those improvements directly related to defense, we may count ourselves lucky. And the public will find some solace in the knowledge that we shall be retiring old debt much faster than we issue new debt. . . . It is time for department heads and the public to realize just how acute the shortage of materials is becoming."

He urged that only those projects be advanced that bear directly on national defense, including fire, police, hospital, and transportation undertakings. Projects in other categories might be permitted to remain in the capital budget and program for 1942 and the five succeeding years (calling for expenditures of \$87,000,000, as submitted by the City Planning Commission) as there was no commitment to appropriate the funds. Comptroller McGoldrick commended the capital budget allowance of \$40,000,000 for plans, engineering work,

and site acquisitions related to a reservoir of post-war projects.

City legislators were counselled, when contemplating the appropriation of funds for projects covered by the 1942 capital budget, to determine beforehand whether or not priority ratings have been granted, and if so whether the materials are actually available. "Otherwise we will find ourselves in the anomalous position of approving the spending of funds for something that cannot be bought."

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#### *St. Louis Merit System Swings into Action<sup>1</sup>*

Action on the personnel front in St. Louis is already beginning as a result of the charter amendment adopted in September.<sup>2</sup> A civil service commission has been appointed by the mayor, to consist of Daniel N. Kirby, chairman, Luther E. Smith and Paul Kaveney. The commission has begun preparations to select a personnel director, with the purpose of recruiting the best possible candidate on a nationwide scale.

Assisting the commission in its selection are I. J. Browder, Alabama personnel director, and W. Leonard Johnson, director of the Indiana State Personnel Division. These men were interviewed by the commission at the time of their recent visit to St. Louis to address the Annual Conference on Government of the National Municipal League, their appointment as advisors following shortly thereafter. They will assist the commission in the preparation of the application form for prospective candidates and in grading the applicants therefrom.

The position of personnel director will probably carry a salary around \$7,200 a year. The appointment will be

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<sup>1</sup>See also page 720.

<sup>2</sup>See NATIONAL MUNICIPAL REVIEW, October 1941.

made by the Mayor from a list of three eligibles established by the commission. Requirements are five years of experience in personnel administration, of which two must be in public personnel administration. There is no local residence requirement.

The position of director and the proposed merit system over which he will preside offer interesting and hopeful evidence that the merit principle is growing in local government. St. Louis will have 7,200 employees in the classified service under the new plan, and the commission is assured by the charter amendment of steady funds at least to the extent of one-half of one per cent of the city payroll. There are few exempt positions, and the commission and the director have wide power over recruitment, examination, certification, classification, training, and the proposal of a retirement system.

Applications for the position of director will probably close early in January, until which time application forms may be secured from the commission. The material submitted in the application will serve as the written part of the examination, with oral examinations being given to high-ranking candidates.

PATTERSON H. FRENCH  
Committee on Public Administration  
Social Science Research Council

### ***Local Issues at the November Elections***

Statewide elections were scheduled last month only in Kentucky, New Jersey, New York, Virginia, Pennsylvania, and Mississippi with elections in other states for municipal officials and a few other officials, according to the American Municipal Association.

Police salary raises, submitted to voters in thirty-one New Jersey municipalities, were approved in only eight,

while firemen's salary increases, up in seventeen cities of this state, were disapproved in almost all cases.

In Paducah, Kentucky, proposed ordinances to increase salaries of police and firemen and establish a civil service system for certain other city employees were defeated.

Cleveland, Ohio, voters also defeated police and fire salary increases, along with a 2.73 operating levy for the administration of poor relief, which would have given welfare employees pay raises already voted by the city council. In Cheyenne, Wyoming, on the other hand, voters approved an ordinance raising the salaries of the mayor and commissioners. In three small Pennsylvania communities pay increases were voted for police.

Cincinnati defeated a proposal to construct a city power plant or issue \$100,000,000 in bonds to buy the plant now supplying the city with power. San Francisco voters turned down a proposal to authorize a \$66,500,000 revenue bond issue for purchase of the distribution lines of the private power company now transporting electric power from the city-operated Hetch Hetchy Dam in Yosemite National Park. The city has been selling Hetch Hetchy power to the utility company for distribution under an "agency contract" for seventeen years, but the United States Supreme Court found it to be violating the Raker Act, which permits sale only to municipalities or public irrigation districts, and after June 30, 1942, will place an injunction on this activity.

Other issues acted upon included a statewide enabling act in Kentucky to permit voting machines in counties, which was adopted; a charter amendment in Cleveland to eliminate sewer rental charges and replace operating funds from general fund allocations,

which was defeated; a charter amendment in Detroit for reinstatement of civil service employees absent in the armed forces, which was approved; and an amendment in New York State to extend the term of state senators from two to four years, which was defeated.

### ***Council-Manager Plan News***

Mayor Theodore K. Ferry of the borough of **Fair Lawn, New Jersey**, containing the "garden city" of Radburn, advocated a city manager at a forum meeting in October under the auspices of the churches and the League of Women Voters.

A campaign for the manager plan was launched on November 12 in the borough of **Fort Lee, New Jersey**, by a group of taxpayers. Petitions calling for a special election on the proposal are being circulated.

The referendum on November 18 in **Margate City, New Jersey**, resulted in defeat of the proposed manager plan by a vote of 961 to 626; commission government was thus retained by a margin of 335 votes. Out of a registration of 2,483, a total of 1,587 voted. The proposal was sponsored by the newly formed Citizens' League and vigorously opposed by virtually all city officials and employees. Two of Margate's four voting precincts favored the plan by slight margins.

Petitions are being circulated in **Clifton Forge, Virginia**, for a referendum on the manager plan to replace the existing governmental structure of a salaried mayor and a council of twelve elected by wards and serving without compensation. The manager plan was defeated two years ago by a margin of 143 votes out of 1,479.

A movement is under way for a city manager for **Annapolis** and a county manager for **Anne Arundel County**, both in Maryland.

The council-manager plan was strongly urged for **Ishpeming, Michigan**, at a meeting of the Town Club on November 18, by Proctor Maynard of the high school faculty.

The movement for city manager government for **Redding, California**, is advancing, according to Editor Paul C. Bodenhamer of the *Redding Record*.

A movement for adoption of the manager plan is under way in **Barnesboro, Pennsylvania**.

A commission to frame a new charter was elected last month in **Glen Cove, Long Island, New York**, the vote being 1,070 to 341.

Twenty-two **Texas** city managers held a special session in connection with the twenty-ninth annual conference of the League of Texas Municipalities at Temple, Texas, on November 7.

Ten **Vermont** managers met in Middlebury on November 5, with Governor Wills as guest speaker.

### ***California Cities Plan Joint Sewage Facilities***

A coöperative survey of the sewage disposal problems of seven neighboring California cities on the east side of San Francisco Bay—four of them with city managers—has resulted in a recommendation that the municipal plant now supplying their water also construct and operate sewage treatment and disposal facilities for their common use.

The joint survey was an outgrowth of the custom of municipal officials of the seven cities—Berkeley, Alameda, Oakland, Emeryville, Albany, Piedmont, and Richmond—to meet for discussion of mutual problems involving the area, according to the International City Managers' Association.

An executive committee composed of the city managers of four of the cities and council representatives of the



other three supervised the survey, authorizing the city of Berkeley to employ and compensate personnel. The cost, \$48,000, was divided according to population, land area, and industrial concentration of the seven cities.

The survey recommended that forty-year serial bonds be issued to defray the cost of building treatment and disposal facilities, estimated at \$8,450,000. Each city council has the right of independent action in the matter of providing funds for construction, but final decision will be made by voters at a bond election.

### ***A City without a Government***

Resignation on November 7 of the mayor and four councilmen of Lackawanna, New York, left that city of 25,000 people without an administration until Governor Lehman on November 13 appointed five successors, these being the mayor-elect and four men who had been chosen for council by the electorate at the November 4 election, to take office January 1, 1942. The resigned officials had been convicted of conspiracy to defraud the municipality by padding city WPA payrolls. The resignations occurred just prior to the imposition of suspended prison sentences and fines.

### ***Instruction in Wartime Protection for Utilities***

Cities from all parts of the United States have been invited to send representative employees to New York City in December and January for courses of instruction on how to protect vital utilities and city services during wartime, so that they can go back to their communities to teach others.

The New York City Civil Service Commission has undertaken to standardize for nationwide use instruction

courses originally prepared for New York City employees. The courses will be given in two-week periods of intensive training.

### ***Missouri Citizens Organize to Rewrite Constitution***

Simmering in Missouri for some time has been the issue of constitutional revision.

During the National Municipal League's annual conference in St. Louis, November 17, 18, and 19, the Secretary of State announced that the issue of revision would definitely go on the ballot next November.

Geared especially to the revision problem, a full day of the conference was devoted to questions of rewriting a state constitution, the merits of the one-house legislature, federal-state relations, and techniques of educating the citizens of a state to the issues of constitutional revision.

The newly revised *Model State Constitution*, published by the League, made its first appearance at the conference.

As the climax of the day's sessions, 150 Missouri advocates of constitutional revision, gathered at dinner to discuss methods and procedure. Dr. Isidor Loeb, dean emeritus of Washington University, who presided, appointed a statewide committee of ten to direct an educational campaign to acquaint voters with the issue of constitutional revision. This committee, of which State Senator Allen McReynolds is chairman, will promote the formation of local committees in all counties and will cooperate with them in an educational campaign. The local committee for St. Louis was appointed at the meeting with Stratford Lee Morton, who had served as chairman of the local committee on arrangements for the conference, as chairman.

### ***Maryland Legislative Council Confers with Local Officials***

The Maryland Legislative Council is on tour. Following its previously announced plan to visit every section of the state for conferences with county and municipal officials on recent legislation and on the need for further legislation, the council held a two-day session in the westernmost part of the state on October 28 and 29 and visited two Eastern Shore counties on December 1, 2, and 3.

The response and enthusiasm aroused by these meetings was so encouraging that the plan now is for the council to hold such conferences at least once a month. On each such trip the council wishes to meet with representatives from one or more counties, including the municipalities.

County and municipal officials within the area to be visited are notified in advance and invited to present their legislative needs and to comment upon legislative proposals pending before the council. No formal agenda is fixed in advance. Discussion proceeds upon whatever matters are raised by any person in attendance, whether a public official, a representative of a local interest group, or a private citizen.

Of course there was considerable variety in the matters discussed and in the manner—but not the sincerity—in which they were presented. The proposed substitution of two state hospitals for the county almshouses, suggested at the October conference, aroused a spirited discussion of comparative costs, admission procedures, and satisfaction with the present almshouse system. Briefer attention was given to the validity of the title and the costs attendant upon tax foreclosures, the need for a state wage, hour and collective bargaining law, proposals for increased home rule and the need of minimizing the number of local bills, a

more "equitable" distribution of the proceeds of the gasoline tax and the state business license taxes, the desirability of expanding the vocational training program of the public schools, the milk law passed at the last legislative session, annual legislative sessions, and the like.

In addition to providing local officials with an opportunity to meet and talk with legislative leaders of the state, the program of the council has the further advantages of familiarizing the members of the council with sections of the state little known to many of them; of giving the council increased prestige in the local communities—the press has been very generous in announcing and reporting the meetings; of providing local officials with a forum on which to air their views on any public problems, local or statewide; and of opening the opportunity to the council to visit state institutions and leading industries in the vicinity (state hospitals and teachers colleges and tire, canning, celanese and hatchery businesses). Here, indeed, is a refreshingly new democratic form: the steering committee of the state legislature travels over the state to confer with local interest groups and local political leaders!

HOWARD M. KLINE

University of Maryland

### ***Increased Training Enrollment in New York State***

The New York State Department of Education reported last month that 36,269 state and local government employees enrolled in special extension courses between July 1, 1940, and July 1, 1941, an increase of 7,338.

For the first time training was provided for municipal electric utility officers, town supervisors, clerks of boards of supervisors, state metal trades placement interviewers, and

state statisticians and accountants. New courses also were developed for assessors, planning and zoning officials, justices of the peace, and town welfare officers.

In addition a fire defense training program attracted 200,000 volunteer firemen.

### ***Labor Grievance Board for New York Subways***

Mayor LaGuardia of New York City on November 22 announced the establishment of a three-man labor grievance board for the city-owned transportation system as promised at the time of the threatened strike last summer. The board will handle the many disputes and grievances arising among the 25,000 men and women connected with the transit system. It is under the Board of Transportation which will continue to handle basic questions of wages and hours.

### ***Frozen Jobs for Veterans Denied***

The New York Court of Appeals on November 19 held unconstitutional the Hampton law of 1941 which prohibited the removal, except for incompetency or misconduct, of veterans or volunteer firemen serving in temporary or provisional positions in welfare departments or emergency relief bureaus, if employed before December 31, 1937.

### ***City Managers Hold Annual Conference***

The effect of national defense on cities was the major topic of discussion at the twenty-eighth annual conference of the International City Managers' Association, held in Hollywood, Florida, on November 23 to 27. Defense subjects which occupied one entire day of the meeting included: organization for defense, priorities for equipment and supplies, effect on municipal personnel

and finance, dislocations caused by shifting from normal to war industries, and post-defense planning.

Other features of the program included a half day on unsolved administrative problems and a session on management techniques discussed by a panel composed of the older city managers. Matters pertaining to the city manager profession were considered at the association's business meeting.

### ***Conference on Personnel at Massachusetts State College***

Over two hundred public officials, political scientists, economists, and laymen attended the Conference on Governmental Personnel, held at Massachusetts State College in Amherst, October 31 and November 1. Thirty-two speakers and discussion leaders covered various phases of the civil service system, including its relationship to national defense.

Round table discussions were held on general personnel problems, personnel training, retirement and pensions, and careers in public health services.

In addition to the faculty committee of Massachusetts State College, members of the political science departments of eight neighboring colleges cooperated in making arrangements for the conference and approximately ninety students of colleges and universities of Massachusetts took part.

CHARLES J. ROHR  
Bureau of Public Administration  
Massachusetts State College

### ***Nation's Mayors to Meet in January***

The annual meeting of the United States Conference of Mayors will be held in Washington at the Mayflower Hotel, January 12 to 14, inclusive. The topic of national defense and the cities will be emphasized, and outstanding federal officials will participate in the program and discussions.



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### Citizen Action

*Edited by Elwood N. Thompson*

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## "Sieve-I Service" Junked by St. Louis Citizens in Favor of Merit System

***Ward workers, press, radio,  
"clamor girls" contribute to  
victory***

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IN 1914, when St. Louis adopted a new city charter, administration of the civil service according to merit principles was placed in the hands of an Efficiency Board. "Sieve-I" service would have been an appropriate spelling for the board's technique, as it was full of holes through which incumbents were sifted out and only party members were found qualified to slip through the meshes of examinations. This was true not only of the nineteen years of Republican rule under the charter provision, but for the eight years of Democratic administration as well.

In addition to the handicap of legal loopholes, successive Efficiency Boards lacked professionally-trained staffs, they were under constant political pressure, and the public remained apathetic except for a few shouts of indignation when the newspapers published statistics and pitiable case histories of hirings and firings. There were twelve suicides in 1933 which provided a collection of horror stories that shocked the public conscience for the usual nine days.

The League of Women Voters of St. Louis, as part of the National League's campaign for trained personnel in government service under the chairmanship of Mrs. George Gellhorn, attempted to organize various elements of public opinion in support of the merit system. Resolutions protesting "the progressive

junking of the civil service regulations of the city charter" and "the appalling waste and menace to every needed service" were given wide publicity. The St. Louis Committee for Trained Personnel made a survey of all city government departments and, after considerable study, drafted a personnel amendment to the charter which was submitted to the Mayor, but which remained quietly in the files—probably the wrong one.

### Campaign Launched

In the meantime the Missouri Federation for the Merit System was formed to work for a state merit bill; and on May 27, 1940, the Federation in coöperation with the League held a luncheon meeting at which Mayor LaGuardia of New York spoke in behalf of the merit system to an audience of one thousand citizens. St. Louis' mayor, Bernard F. Dickmann, who had for some time advocated the merit system, appointed a committee of public officials to draft a civil service amendment to the city charter. This measure was much like the draft prepared by the St. Louis Committee for Trained Personnel, both of them having been ushered into this world with the aid of the National Municipal League, the Civil Service Assembly, etc.

To get the bill through the Board of Aldermen required the aid of the Mayor, the newspapers, and members of the League of Women Voters who sat in the aldermanic chamber each Friday awaiting the effect of their ingratiating letters and interviews. The bill did not pass in time to submit the amendment at the mayoralty election in April of this year, but it was submitted at a special election on September 16.

The newly-elected Mayor, William Dee Becker, had given strong support to the merit system in his campaign and he, along with the three living ex-

mayors, became honorary chairman of the Citizens' Committee for the Civil Service Amendment, organized in June. However, the "sieve-1" service operated as usual, even after the mayoralty election in April; and by September over 4,200 people had been removed from their jobs "with or without cause."

St. Louis summers are something to escape from and most people try to do so. Organizations disband and citizens shed their worries about local government while they look for cooling breezes. But the Citizens' Committee for the Civil Service Amendment found in Joseph A. McClain, Jr., dean of Washington University School of Law, who served as chairman, and Norman Bierman, president of the Missouri Federation for the Merit System, two young men who were born campaigners willing to forego vacations and work with dynamic zeal for the duration.

### Funds Raised

Letters asking for funds brought in several hundred dollars, and office space in a downtown building was given free of charge. A former executive secretary of the St. Louis League of Women Voters was engaged as secretary and immediate efforts were begun to establish a board of directors upon a representative basis.

Some \$1,800 was eventually raised from letters, which was far from the amount estimated as necessary for the campaign. Largely through solicitation by McClain and Bierman, of business men and corporations, the total budget of over \$9,000 was completed.

Committees on general publicity, on radio, speakers' bureau, and ward organizations were established and functioned effectively. All the radio stations gave generously of their time without charge to the presentation of campaign issues. There were many good programs, the most important of

which were three vigorous radio speeches by Mayor Becker. About twenty speakers covered some seventy-five meetings during the last four weeks of the campaign.

### Ward Organization

Great credit must be given to the work of the League of Women Voters headed by Mrs. Ralph W. Thayer, who did a magnificent job of ward organization. There are twenty-eight wards in St. Louis but the committee decided to concentrate on about twelve which were residential in character with a large voting population. A committee of about fifteen women transposed phone numbers from a street address telephone book to the registered list of voters in these wards. These names were broken into lots of twenty-five to two hundred, distributed among some several hundred women on the Telephone Committee who called all the voters on the assigned list urging them to go to the polls and vote for the civil service amendment. The Evangelical Women's Organization made many house-to-house calls upon registered voters for whom no telephone was listed. It is estimated that 150,000 persons were reached by telephone or visit. The execution of these tasks was performed remarkably well and the value of these calls to the final success of the campaign cannot be overestimated.

### Newspaper Help

From the beginning the three St. Louis metropolitan dailies were disposed to support the civil service amendment but it was necessary to stimulate them into more active campaigning. All three responded to the call in varying degrees during the early weeks of the campaign. During the last ten days in the news section, editorial columns, cartoons and pictures, the

civil service amendment commanded enormous space and attention, relegating the war and the new tax bill to second place.

The Committee recognized that speeches, resolutions, and endorsements, etc., do not make good daily campaign news, and sought to create activities and incidents which would make lively copy. A dramatic stunt was the soap-box sortie on the Saturday morning before election when twenty young women from the League, standing on soap-boxes on the corners of twenty of the busiest streets, recited jingles, and appealed to the passersby to vote for Amendment 3. The sandwich girls who assisted them by handing out fliers wore enlarged campaign cartoons on boards in the approved sandwich style. The pictures and stories rated the front page, and editorials on the "clamor girls" filled more space for the campaign. To the unprecedented quantity and quality of newspaper support given the amendment is due a large measure of credit for the successful outcome of the election.

### Volunteer Workers

Except for a limited office staff, all campaign workers were volunteers. The \$9,000 raised was spent for literature, printing, distribution, and office expenses. There was not a single paid advertisement in newspapers or other publications. Ward workers were secured from the names of approximately five thousand persons who signed endorsement cards. Many of the law students of the popular chairman worked for days at the new headquarters which were opened, about the middle of August, in a store located on a busy downtown street.

About three weeks before the election, 250,000 copies of a four-page campaign pamphlet were distributed in offices and in the designated wards.

About ten days before, 125,000 copies of a two-page flier were issued warning the voters of the false issues raised by the spoilsmen. Another 250,000 copies of a sample ballot were distributed the day before election.

Some 250 campaign cartoon-placards were carried on the front end of street cars for two weeks before election. Four thousand similar window cards were placed in store windows and other display places. About 3,500 bumper strips were printed and used. Tent cards showing the conscientious citizen voting on September 16 were placed in selected restaurants.

The campaign for the civil service amendment was somewhat complicated by the fact that a large number of the Negro organizations were extremely interested in the election of aldermen by wards, which was the other proposition on the ballot; and since it seemed likely that there would be a heavy Negro vote, a special effort was made to secure the support of the leaders. It is believed that the intensive concentration for a period of four weeks on this group was reflected favorably in the returns.

### Other Groups Help

The aid of C.I.O. leaders was given freely, but the A. F. of L. was inclined to oppose the amendment from the beginning. As civic, business, professional, and church groups resumed activities in the fall they also gave assistance to the campaign.

The enthusiastic spirit of the Citizens' Committee was somewhat dampened by the rain which fell during the morning of election day, and by the very light vote which was being cast. It had not been planned to expend much effort at the polls, but at the last minute a committee of some seventy-five men and women, developed by spontaneous generation to ring doorbells and



cruise about the city in cars, urged people to go to the polls and assisted in taking them where necessary. Last-minute telegrams and telephone calls to stores and factories were sent too, but in spite of all the organization and exhortation, only about 28 per cent of the total registered vote was cast. However, 62½ per cent of these votes were in favor of the amendment, a margin of 2½ per cent above the constitutional requirement.

The surprise and delight of the Citizens' Committee and of the thousands of independent citizens who had supported the amendment were beyond bounds. Many had not really expected a victory in this first effort.

Mayor Becker issued an order, antedating the amendment provision, which resulted in the city employees remaining at their jobs on election day. This meant they had only enough time off to vote instead of to electioneer all day as had been the practice since recorded history in St. Louis wherever the election was of interest to City Hall employees.

This was a citizens' campaign and a citizens' victory. Mindful of the importance of "following through," a nucleus of citizens will be on the alert, watching the administration of the law and helping to keep alive public sympathy and interest.

TESS LOEB

St. Louis League of Women Voters

## Roundup—

The recent election saw **Leagues of Women Voters** busy as usual in many communities. . . . In Maryland the **Montgomery and Prince Georges County Leagues** conducted a one-day "workshop of democracy" at the University of Maryland to instruct new voters in the technicalities of voting. . . . The **Bloomfield (Connecticut)**

**League** concentrated on teaching voters how to mark ballots with the result that, according to town officials, there were fewer void ballots than ever before. . . . The **Riverside (Connecticut) League** manned an information booth and demonstrated the operation of a voting booth in the Town Hall a week before election. . . . The **Onondaga County (New York) League** had its second annual November Election Bulletin published as a supplement to the *Syracuse Post-Standard*. . . . For any citizen group which has the sympathetic ear of a local newspaper, this last idea sounds like an excellent way to reach a large number of people at election time.

Through the coöperation of the Philadelphia County Election Commission and the **Committee of Seventy**, demonstrations of voting machines were held in seven of the largest high schools in Philadelphia. . . . An excellent way to instruct a good many people, since it has often been demonstrated that children carry such information home to their parents as well as absorb it themselves.

The **Portland City Club** has started using colored ink for printing its *Bulletin*—a different color each week. We are in favor of the change—it has cheered up the appearance of the *Bulletin* no end.

One of the most challenging leaflets that has come our way recently is that announcing the **Public Affairs Forum**, a discussion program sponsored by the **Kansas City Civic Research Institute**. The forum has been developed to help organize neighborhood and city-wide groups for discussion of civic affairs, to establish training courses for discussion leaders and to assist both new and existing organizations in planning programs, providing speakers, and suggesting useful reference material. The

announcement of the forum is an attractive job typographically—printed in blue on gray paper—and the story it tells is a stimulating one. All those who are concerned over the need for greater citizen participation in government will certainly watch the Kansas City experiment with interest, for it may easily set a pattern which can be followed in other communities.

The **Connecticut Federation of Taxpayers' Associations** has published an ingenious and well written little pamphlet on the subject of a proposed dam in that state. Instead of the solid pages of technical information which are so often issued by taxpayers associations, the Federation has condensed the pertinent material and presented it in an extremely readable format with the title "Barnum is Dead."

Meeting in St. Louis in conjunction with the National Municipal League, the **National Association of Civic Secretaries** elected the following officers: Allen H. Seed, Jr., President; W. P. Lovett, Vice-President; Miss H. Marie Dermitt, Secretary; Miss Louise C. Morel, Treasurer; and Ewen C. Dingwall of Seattle, Forest Frank of Cincinnati, George Gerhard of San Francisco, Frederick D. Griggs of Springfield (Mass.), Robert W. Hansen of Milwaukee, Julian G. Hearne, Jr., of Wheeling, Miss Claire B. McAfee of Philadelphia, George McCaffrey of New York, and Miss Grace D. Treat of Cleveland, directors.

If you are interested in municipal legislative bodies, write to **New Haven Taxpayers, Inc.**<sup>1</sup> and ask for a copy of their recent bulletin on the subject. A large amount of interesting material on size, method of selection, and the like is included.

R.M.W.

## County and Township

*Edited by Elwyn A. Mauck*

### State Legislation Affecting Counties, 1941

*New laws indicative  
of prevailing trends  
in local government*

THE state legislatures meeting in 1941 produced the usual grist of statutes affecting county and township government, many of them specific in character, such as changing an officer's salary or redefining his duties. Some of the legislation, however, has more than passing significance because it is indicative of prevailing trends in local government. These laws relate primarily to structure of government, problems of finance, services performed, and the development of future controls through planning and zoning. A partial list summarizing some of the legislative acts will serve to illustrate the nature of this 1941 legislation affecting counties and townships.

#### Organization and Reorganization Offices, Liability

The state legislature of North Dakota cleared the path to permit sweeping reform by enacting laws allowing county disorganization and submitting several optional forms of county government.<sup>2</sup> Although the electorate of Nebraska rejected a similar proposal last year, the legislature again submitted a constitutional amendment that would permit it to draft optional county charters, which will be submitted to referendum in November 1942. New York amended its optional county government law in order to facilitate action under the 1939 constitutional revisions.

<sup>1</sup>839 Chapel Street, New Haven, Connecticut.

<sup>2</sup>See NATIONAL MUNICIPAL REVIEW, May 1941, p. 301.

Several states passed legislation tending to reduce the number of local elective officers. Connecticut now provides that town meetings shall no longer elect town auditors. The Michigan legislature enacted a statute permitting counties with a population of 500,000 or more (Wayne) to abolish by referendum the office of surveyor. Illinois legislation facilitated the abolition of township collectors. An Oklahoma statute now declares municipalities of less than 5,000 population may abolish their office of treasurer and shift its functions to the county treasurer.

The Montana legislature gave its approval to a proposed constitutional amendment extending the terms of county attorneys and justices of peace from two to four years. The amendment provided also that the maximum term for all other county and township offices should be extended from two to four years except where this would conflict with other provisions of the constitution.

The Michigan legislature extended the prohibition against dual office-holding by board members to all counties, except that such members might accept unsalaried offices and appointments. The Ohio legislature attempted to improve the quality of local government by providing that if any local office-holder absented himself from his duties for ninety consecutive days for reasons other than injury or illness the office should be deemed vacant.

Several states succeeded in expanding the merit system in counties and townships. Massachusetts legislation related to the protection of seniority rights when towns were brought under the civil service laws. Michigan provided that the merit system could be adopted through referendum in counties of 300,000 population and more. New York's law was most sweeping in that it required all counties outside New York

City to adopt one of three options before July 1, 1942.<sup>3</sup> The three optional plans are a county civil service commission, a county personnel officer, and the State Civil Service Commission.

New York apparently extended the liability of counties and reduced that of towns. The law now declares that counties will assume liability for negligence of anyone in the county clerk's office where such negligence was committed in the performance of duty. On the other hand, towns are no longer liable to civil action in cases involving dangerous highways, bridges, and culverts unless the clerk or superintendent of highways was duly notified but neglected or failed to remedy the defect within a reasonable time or unless it had existed for so long that it should have been discovered and remedied in the exercise of reasonable care and diligence. Arizona made her county supervisors and treasurers jointly and severally liable for 120 per cent of the amount in case of any illegal payment made to a member of the board of supervisors.

### Financial Administration

Most legislation in the field of county finance related to tax delinquency and limitation, purchasing, and county budgets. A Colorado law simplified the procedure for county acquisition of tax-delinquent real estate, and a Wisconsin statute specified that counties might sell such property with final payment to be made within five years. An Oregon law authorized county boards to accept deeds to land in process of foreclosure when such action would expedite the harvesting of fire-damaged timber.

The Washington legislature advanced a tax limitation proposal to a refer-

<sup>3</sup>See NATIONAL MUNICIPAL REVIEW, May 1941, p. 253.



endum to be held in November 1942. It provides an over-all forty-mill limit based on assessed value which in turn shall be 50 per cent of true value. A new statute in Iowa permits the controller to provide some flexibility in the otherwise rigid tax-limit laws. A Florida statute renewed its tax limitation laws that were passed originally several years ago.

The Oregon legislature permitted cancellation of delinquent taxes under certain circumstances. Personal property taxes three years or more delinquent may be cancelled by county boards if deemed uncollectible. The boards may cancel also taxes on property donated to municipalities for specified purposes, but only if the municipality made no payment for the property.

A Montana statute of temporary effect authorized counties to hire fiscal agents to readjust and refund outstanding bonds, but only if savings in interest of at least  $\frac{1}{2}$  of 1 per cent would result from such operation. Massachusetts extended the town bond limitation law to include fire, water, light, and improvement districts.

The New York legislature extended the budget system to all towns. Oregon amended its county budget law to require publication of comparative figures for the three immediately preceding years and estimates for the current year to serve as controls over budgetary requests. Wyoming also improved its county budget act in various ways. The Wisconsin legislature decreed a budget system for all counties and instructed the state municipal accounting division to assist in installation.

The New Hampshire legislature provided that competitive sealed bids be used for all purchases over fifty dollars unless the county board waived this requirement by unanimous consent and

gave its reasons for doing so. A Georgia enactment required the establishment of purchasing departments in counties with populations of 200,000 and more and a Wisconsin statute permitted the appointment of purchasing agents in counties under 125,000 population.

### Health and Welfare Activities

In health and welfare prevailing legislation involved the surplus commodities stamp plan sponsored by the federal government. The laws of Minnesota, Wisconsin, New York, Texas, Illinois, Ohio, and Nebraska specified that counties should coöperate with the federal government in administering the plan. The Illinois law provided that if the county or township was unable to bear the burden of the food stamp plan, the state would assume the obligation. Different forms of coöperation were established by the laws of other states.

North Carolina, Oregon, West Virginia, and Minnesota reorganized their welfare boards in various aspects, and in each instance the personnel was placed on a merit basis. Wisconsin abolished its town, village, and city activities for the poor, thus establishing a complete county system. Iowa provided for intercounty agreements regarding the transfer of county home inmates, and North Dakota declared that the cost of care for indigents should not be a gift from the county but should constitute a claim on their estates.

### Public Safety

In the field of public safety county powers were expanded regarding fire protection and national defense activities. Texas provided that its counties could offer fire protection either directly or by entering a contract with another local unit. Michigan legislation enabled townships to install water mains for fire as well as for domestic use, gave

them the right to create fire districts and to contract for fire protection. Ohio authorized the creation of fire districts in certain townships, and Tennessee provided that its counties could appropriate funds to assist the state in combatting forest fires.

Oregon authorized the creation of county zoning and fire protection districts for unincorporated territory lying in two or more counties, but Colorado declared such districts could embrace territory in any number of counties and within municipalities. New York authorized its counties to appropriate funds for the training of volunteer firemen. North Carolina expanded the function of its sanitary districts to include fire protection either directly or through contract. North Carolina also permitted its municipalities to extend their fire protection services twelve miles beyond their limits.

Many states passed defense acts, but not all followed the model drafted by the Advisory Commission to the Council of National Defense. In regard to counties, Florida, Georgia, and Michigan followed it in that they authorized the creation of defense councils in every county. Massachusetts authorized its local housing authorities to cooperate with the federal government in providing defense housing during the emergency, and gave its towns authority to appropriate funds until 1943 for various activities bearing some relationship to defense.

### Resettlement and Conservation

The Arizona legislature authorized the creation of county soil conservation districts, thus bringing to thirty-nine the number of states now cooperating with the federal government in this field. New York amended its soil conservation law by providing that all maintenance agreements for soil conservation improvements must have the

approval of the board of supervisors. Texas also revised its soil conservation act in a number of details. Texas and Montana authorized their counties to enter into contracts with federal agencies regarding resettlement and rehabilitation. Texas and Colorado passed legislation enabling their counties to appropriate funds for agricultural experiment purposes. Oregon permitted the creation of county forests on lands acquired through tax delinquency procedure, and Maryland permitted her counties to drain their swamps and lowlands. Florida counties were directed to cooperate with state agencies in reforestation and the utilization of forest products. Idaho counties were authorized to operate fish hatcheries.

### Public Works

Under the leadership of the United States Housing Authority, state legislatures continued to expand the scope of public housing. County authorities or regional authorities embracing two or more counties were authorized by the 1941 legislatures of Montana, Texas, North Carolina, Florida, Washington, and West Virginia. In most instances the law stated that its purpose was to extend public housing to rural as well as urban areas. Oregon amended its law to require a referendum rather than simply a petition to initiate county housing projects. Massachusetts, Washington, Tennessee, and West Virginia gave their county housing authorities extended power for the duration of the defense emergency.

Also under federal sponsorship is the movement to encourage units of local government to establish airports and air fields. Counties were authorized to establish such airports in Nebraska, Michigan, Montana, Wyoming, Idaho, Oregon, Illinois, Texas, Arizona, and Washington. Michigan required a refer-

endum before an airport could be established, and Oklahoma authorized counties to lease their properties for airport purposes. Oklahoma, Wisconsin, and Wyoming gave their counties zoning powers relating to such airports, while Massachusetts gave similar authority to its towns.

Legislation relating to other types of public works in counties and townships was varied. Michigan and West Virginia extended to all counties permission to construct water and sewerage works. Oregon permitted its counties to establish parks, while Texas merely broadened powers already vested in its counties. Michigan provided that cities and villages could contribute to township parks and beaches. Florida sought equitable plans to reimburse its counties for expenditures on highways since taken over by the state, Montana provided that its counties could discontinue streets in unincorporated towns, and Nebraska permitted its counties to light their highways.

#### County Development

Nevada permitted counties of 15,000 population and more to set up planning boards, while Ohio gave to its county boards broad zoning authority. Michigan extended the authority to zone to all townships, and Tennessee amended its county zoning law in several details. Tennessee gave its counties the right to appropriate funds for advertising purposes. Texas gave its larger home rule counties a chance to advertise their advantages, and Oregon revised its laws regarding county advertising in order to permit the employment of experts.

Installation of the manager plan is being discussed in **Elizabeth City County, Virginia**. At a recent meeting the present form of government was termed "inadequate as well as obsolete."

### Taxation and Finance

*Edited by Wade S. Smith*

## State and Local Pensions Studied

***Census Bureau survey shows marked increase in number of pension systems***

**G**ROWTH of pension systems in the states and larger cities of the United States in the last quarter century and their scope in 1938 are examined in a recent special study prepared by the Division for State and Local Government of the Bureau of the Census.<sup>1</sup> Since pensions are perhaps the most easily ignored of the many complex governmental problems confronting the layman interested in the finances of his local government, it is worth noting that the study includes not only extremely informative summary material but also segregated data on each of the individual governmental units surveyed.

The study is based on the fiscal year ending in 1938, at which time 91 of the 94 cities of over 100,000 population had a total of 347 pension systems, including 53 systems administered by the state. Of the 294 city systems administered locally, 144 were financed through pension reserve funds, while all of the 53 city systems administered by the states were financed exclusively through reserve funds. Of the remaining 150 city systems, approximately two-thirds were financed exclusively from current funds and one-third by the

<sup>1</sup>*Financing State and City Pensions*. State and Local Government Special Study No. 15. Division of State and Local Government, C. E. Rightor, Chief Statistician. Bureau of the Census, U. S. Department of Commerce, 1941. 82 pages, planographed. Tables, figures, etc.



combined use of reserve funds. Pension payments for the 94 cities averaged \$5.57 per capita, ranging from \$3.54 per capita for the five cities over 1,000,000 population down to \$1.30 per capita for the cities of 100,000 to 300,000 population. Combined assets of the systems totaled nearly \$617,000,000, but it is probable that \$553,000,000 of this was accounted for by eight of the larger cities whose pension systems are operated on the reserve fund basis, \$351,000,000 of which was provided by New York City alone.

Whereas 91 of the 94 cities having populations of 100,000 and over in 1938 had pension systems, in 1912 with only 3 cities falling in this population group only 41 levied pension assessments on employees and 50 made payments to beneficiaries. Systems for firemen and policemen have shown proportionately the least growth, the new systems being largely for teachers and general employees, as might be expected.

Among the states, only six had pension systems in 1915, whereas by 1938, 42 had one or more systems each. The states in 1938 maintained 71 systems, 42 for school employees and 39 for other public employees. Twenty-eight of the state systems were financed from current funds exclusively, 16 from reserve funds only, and 27 from a combination of the two. State pension fund payments averaged only 39 cents per capita in 1938, while state pension fund assets were \$684,000,000, divided \$526,000,000 for school systems and \$158,000,000, for other systems.

In the introduction to the study which was prepared by Dr. Wylie Kilpatrick, technical assistant to Division Chief C. E. Rightor, and Clifford R. Gross of the division's staff) it is cited as a collection of information necessary in considering the desirability of extending the federal social security act to public employees. The survey will

be at least equally useful to anyone who has ever wondered how the pension setup in his own city compares with those in use elsewhere.

### ***Dallas Capital Plan Enters Second Year***

In the summer of 1940 the city of Dallas, Texas, in coöperation with the National Resources Planning Board, prepared a "basic financial and improvement plan," setting up a current and capital financing program which aims to make the city free of bonded debt by 1975. The essence of the plan is that new borrowing be held within annual retirements, releasing progressively greater amounts of current revenues for financing capital outlays on a pay-as-you-go basis.

The program, which was set up in great detail, including spot maps locating the majority of the improvements contemplated within near-years, included quite complete estimates for 1939-40 and the five ensuing years. On September 30, 1941, the city closed its first full fiscal year under the plan, and the sale of a large block of bonds in November places it well into 1941-42 in so far as borrowing goes. Hence it is interesting to note the city's success to date in adhering to the plan.

In so far as the keeping of new borrowing within stipulated retirement limits is concerned, Dallas is very close to its objective. At September 30, 1939, the base date for the program, the city's gross bonded debt for which its full faith and credit were pledged was \$37,566,500. This included the self-supporting water system debt as well as debt of the sanitary sewer and disposal system which is supported in Dallas from special charges. The program contemplated that at September 30, 1940, the corresponding figure would be \$36,818,250 and at September 30,

1941, \$36,245,500. Actually, the figure was \$36,853,250 at the close of 1939-40 and \$36,272,000 at the close of 1940-41, or amounts only \$35,000 and \$26,500 respectively above estimates. Debt reduction may therefore be considered as going substantially as planned.

Less exactly in line with estimates is the actual borrowing since September 30, 1939, although here the city must admittedly be granted considerable leeway. Officials frankly noted when the plan was prepared that departure from it, perhaps in important respects, might be advisable.

The program contemplated the issuance of \$950,000 new bonds in 1939-40, but actually \$1,000,000 were issued. This represented sale of \$50,000 less than anticipated for schools but \$100,000 more than anticipated for street improvements. For the year just closed, 1940-41, \$1,100,000 bonds were scheduled to be sold under the plan, and exactly this amount of full faith and credit obligations were issued. However, the anticipated financing had all been for streets and storm sewers, whereas only \$550,000 of the bonds issued were for these purposes. Schools took an unscheduled \$300,000, and \$250,000 bonds were issued for the municipal airport, an item pushed forward ahead of schedule in connection with national defense requirements. In addition, the city sold \$150,000 of airport revenue bonds, which while not full faith and credit obligations of the city served to bring total issues for the year to \$1,250,000.

For the current year, the plan calls for sale of \$1,200,000 new general lien bonds, all for storm sewers, streets, and parks. In November the city sold \$893,000 new bonds, \$475,000 of this total for purposes included in the year's financing plan and the remaining \$418,000 for unexpected items or

items moved ahead on the schedule. Of the unscheduled financing, \$150,000 was for a technical training school directly necessitated by the defense program, and another \$50,000 was for schools, while \$200,000 was for a public market which is expected to be self-supporting but may receive tax support if necessary. The remaining \$18,000 was for library purposes.

### ***Municipal Bond Yields Continue Decline***

Municipal bond yields, which firmed slightly in September, resumed their downward course in October and reached a new all-time low on November 1. *The Bond Buyer's* index of the yields of twenty representative municipal bonds was 1.90 per cent on November 1, 1941, as compared with 2.02 per cent on October 1 and 2.32 per cent on November 1, 1940. The highest interest yield for this group of bonds was 5.60 per cent, attained May 1, 1933.

The index of eleven first grade bonds also reached a new low on November 1, 1941, standing at 1.57 per cent as compared with 1.65 per cent for October 1 and 1.94 per cent for November 1, 1940. The high for the group was 4.9 per cent, shown on May 1, 1933.

### ***Bills Carry City Facts to Householders***

Folders mailed out with tax bills and statements printed on the backs of utility bills are among devices in use to inform citizens about city services. A recent roundup of such folders by the International City Managers Association found Two Rivers, Wisconsin; Dallas, Texas; Kansas City, Missouri; Royal Oak, Michigan; Morganton, North Carolina; and Los Angeles County, California; Durham County, North Carolina; and Henrico County, Virginia, using interesting examples.

Two Rivers is economically using the

acks of water and electric utility bills  
r printing a series of articles on "how  
o keep up with your government."  
ne month the article related the his-  
ory of the meter reader who delivered  
he bill, explaining the process through  
hich he got the job. Another month  
ie utility bill listed telephone num-  
ers of important city departments for  
andy reference.

Dallas enclosed with its 1941 tax bills  
n illustrated folder telling how the  
xpayer's dollar is allotted to pay  
r city expenses and explaining the  
most convenient ways to meet tax pay-  
ments. This city has also prepared  
r citizens a mimeographed pamphlet  
howing the organizational setup and  
orking procedures of its departments.

A two-color six-page folder sent out  
y Kansas City with its current tax  
ills informed citizens that "you pro-  
ect your life, your health, your home  
hen you pay your Kansas City taxes."  
The leaflet carried a digest of city ac-  
omplishments in 1940 and a summary  
f plans for 1941-42, showed distribution  
f the tax dollar, and told taxpayers  
hat prompt payment of taxes would  
entitle them to a 6 per cent discount.

A taxpayer leaflet prepared by the  
unicipal research analyst of Royal  
Oak classified each government activity  
according to cost to taxpayers, by  
year and by month per thousand dol-  
ars. The town of Morganton distrib-  
uted a folder briefly telling what ser-  
vices tax dollars bought.

Inserted with the tax bills of Los  
Angeles County this year was a folder  
covering three years of "governmental  
economy" and explaining the 1941-42  
financial program. Durham County  
mailed citizens a specially prepared let-  
ter entitled "Government and Citizen-  
ship." Henrico County, prepared a two-  
color folder complete with statistics  
and pie-charts.

## Proportional Representation

*Edited by George H. Hallett, Jr.*

(This department is successor to the  
Proportional Representation Review)

## New York's Third P. R. Election

*Minority members increased  
Three women elected*

ON NOVEMBER 4 New York City  
used P.R. for the election of its city  
council for the third time. The election  
increased the number and proportion of  
the council minority and gave represen-  
tation to nearly half a million more  
voters than had ever been able to elect  
aldermen under the old plan.

There was disappointment in many  
circles that the Democratic organization  
majority was able to retain 17 places  
out of 26. Some assumed, from the  
fact that Mayor LaGuardia, Comptrol-  
ler McGoldrick, and Council President  
Morris were re-elected on the Fusion  
ticket, that the Democratic control of  
the council should have been over-  
turned completely and blamed P.R.  
that it was not.

This argument overlooks the indis-  
putable fact that in general the city  
re-affirmed at this election its Demo-  
cratic party allegiance. By a very  
strenuous campaign enough of the more  
independent Democrats were persuaded  
to disregard party ties in voting for  
city-wide offices to return the Fusion  
administration by a narrow margin, but  
in Brooklyn, the Bronx, and Queens  
Democratic borough presidents were  
elected, as were the Democratic candi-  
dates for all other offices filled within  
those boroughs except for the minority  
representatives elected to the council  
by P.R.

Had it not been for P.R. there might  
well have been a Democratic sweep of



these boroughs in the council also, depending partly, of course, on how district lines were drawn. As it was, enough minority members were elected to give the opposition 35 per cent of the next council and to remove the power of the Democratic organization to over-ride the mayor's veto by a two-thirds vote. Never, from 1921 to the last aldermanic election in 1935, did the Democrats fail to elect at least three-quarters of the aldermen under the old district plurality plan, even when a reform mayor was elected.

That the majority secured by the Democrats in the next council reflected accurately the directions of the voters as expressed on their ballots is shown by the table below.

The new council will contain five more members than the present one. In New York the election quota is fixed

at 75,000 and each borough is allotted one seat for each full quota of valid ballots or remainder of as much as 50,000. This provides at each election an automatic reapportionment to the various boroughs on the basis of actual voting strength.

This year's changes in borough representation and in the political complexion of the council are tabulated at the top of the next page.

The Citizens' Non-Partisan Committee, headed by Thomas D. Thacher, Samuel Seabury and Charles C. Burlingham, which endeavored to unite good government support on a short interparty list of qualified candidates saw five of its nominees elected, as it had the time before. Seven of the nine minority councilmen-elect (all but the Communist and one of the Republicans) were recommended as well quali-

#### DEMOCRATIC PARTY REPRESENTATION

| <i>Borough</i> | <i>First-Choice Votes</i> | <i>Votes on Deciding Count<sup>a</sup></i> | <i>Members Elected</i> | <i>Members in Proportion to Deciding Votes</i> |
|----------------|---------------------------|--|------------------------|--|
| Manhattan      | 190,113 (43%)             | 202,185 (49%)                              | 3 (50%)                | 3.0  |
| Bronx          | 208,666 (53%)             | 212,199 (59%)                              | 3 (60%)                | 2.9  |
| Brooklyn       | 362,622 (55%)             | 393,858 (64%)                              | 6 (67%)                | 5.8  |
| Queens         | 211,332 (56%)             | 246,743 (71%)                              | 4 (80%)                | 3.5  |
| Richmond       | 36,878 (67%)              | 36,878 (67%)                               | 1 (100%)               | .7   |
| City           | 1,009,611 (52%)           | 1,091,863 (61%)                            | 17 (65%)               | 15.9   |

#### TOTAL VOTES AND REPRESENTATION

|           |           |           |    |
|-----------|-----------|-----------|----|
| Manhattan | 441,358   | 411,165   | 6  |
| Bronx     | 391,144   | 360,021   | 5  |
| Brooklyn  | 662,064   | 614,021   | 9  |
| Queens    | 379,236   | 348,639   | 5  |
| Richmond  | 55,166    | 55,166    | 1  |
| City      | 1,928,968 | 1,789,012 | 26 |

<sup>a</sup>These are the votes counting for the Democratic organization candidates after the ballots of all the defeated candidates except the "runner-up" had been transferred to their next choices among the candidates with a chance of election. These transfers gave effect to the wishes of 485,651 voters who thereby helped to elect councilmen but whose votes would have been wasted on losing candidates if the first-choice count had been accepted as final.

| Party          | COUNCILMEN ELECTED |                |                |                |                |                |        |      |          |      |      |      |
|----------------|--------------------|----------------|----------------|----------------|----------------|----------------|--------|------|----------|------|------|------|
|                | Manhattan          |                | Bronx          |                | Brooklyn       |                | Queens |      | Richmond |      | City |      |
|                | 1939               | 1941           | 1939           | 1941           | 1939           | 1941           | 1939   | 1941 | 1939     | 1941 | 1939 | 1941 |
| Democratic     | 2                  | 3              | 3              | 3              | 5              | 6              | 3      | 4    | 1        | 1    | 14   | 17   |
| Republican     | 1 <sup>a</sup>     | 1 <sup>a</sup> |                |                |                |                | 1      | 1    |          |      | 2    | 2    |
| American Labor |                    |                | 1 <sup>a</sup> | 2 <sup>a</sup> | 1 <sup>a</sup> | 1              |        |      |          |      | 2    | 3    |
| City Fusion    | 1 <sup>a</sup>     | 2 <sup>b</sup> |                |                | 1 <sup>a</sup> | 1 <sup>a</sup> |        |      |          |      | 2    | 3    |
| Communist      |                    |                |                |                |                | 1              |        |      |          |      |      | 1    |
| Independent    | 1                  |                |                |                |                |                |        |      |          |      | 1    |      |
| Total          | 5                  | 6              | 4              | 5              | 7              | 9              | 4      | 5    | 1        | 1    | 21   | 26   |

<sup>a</sup>Endorsed also by the Citizens' Non-Partisan Committee.

<sup>b</sup>One of the City Fusion candidates received the designation also of the American Labor party, the other of the Citizens' Non-Partisan Committee.

fied by the non-partisan Citizens Union.

### Striking Individual Results

Some of the individual results were particularly noteworthy:

1. Three women were elected: the council's minority leader, Genevieve B. Earle of Brooklyn, independent Republican chosen three times under P.R. with no regular party support and only the independent designations of the City Fusion party and the Citizens' Non-Partisan Committee; Rita Casey, whom the Democratic organization nominated in Brooklyn in the hope of drawing votes away from Mrs. Earle; and Gertrude Weil Klein, an organizer and educator for the Amalgamated Clothing Workers, elected as an American Labor party candidate in the Bronx. There had been no women elected in the last aldermanic elections and only one in each of the first two elections under P.R. Mrs. Earle and Mrs. Klein presumably could not have been elected without P.R. and Mrs. Casey might not have been nominated.

2. An able, independent Negro, Rev. A. Clayton Powell, Jr., was elected in Manhattan as a City Fusion and American Labor party candidate. There had been no Negro on previous councils, but the special problems of Harlem have been crying out for attention and

this year the colored community got behind one of its most popular leaders and elected him. Dr. Powell far outdistanced the Negro candidate on the Democratic organization ticket, who was defeated.

3. The first Communist ever-elected in the 65 public P.R. elections so far held in the United States won the ninth and last place in Brooklyn. He is Peter V. Cacchione, an American war veteran of Italian ancestry, who in view of the turn of events abroad emphasized all-out aid to the allies in his campaign. His election is being seized on by enemies of P.R. to arouse feeling against the system, but whether it will actually prove unfortunate remains to be seen. It may be that giving the Communist minority a direct spokesman of its own will be more salutary than the alternative of having it boring from within other parties and using its votes as a balance of power between other-party candidates.

4. An illustration of the supremacy of the voters' wishes over those of their party leaders under P.R. was afforded by the election of Stanley M. Isaacs. Mr. Isaacs is just completing four years of distinguished service as borough president of Manhattan. He was denied a renomination by his party, the Republican, and ran for the coun-

cil for vindication, having the designations only of the City Fusion party and the Citizens' Non-Partisan Committee. He was easily elected and led all three of the regular Republican candidates, one of whom, former Assemblyman Meyer Goldberg, was also elected. Similarly in Brooklyn Mrs. Earle ran far ahead of the three official Republican candidates and was the only Republican elected in that borough.

5. In Brooklyn a contest between the "right" and "left" wings of the American Labor party resulted in three candidates of the former and two of the latter appearing on the ballot without any party designation.<sup>1</sup> Nevertheless one candidate of the former, Louis P. Goldberg, a prominent attorney, was elected. Mr. Goldberg replaced Dr. Harry W. Laidler, who has served ably in the present council as a Labor party member but was denied the party's redesignation because of his support of his close associate, Norman Thomas, for president last year. Dr. Laidler ran as a candidate of the City Fusion party and Citizens' Non-Partisan Committee, but there were not enough independent votes to elect him in addition to Mrs. Earle.

One other Fusion councilman with an admirable record failed of re-election, Robert K. Straus in Manhattan. Mr. Straus, an independent Democrat, had been twice elected as a City Fusion-Citizens' Non-Partisan Committee candidate under P.R., but this year many of his votes went to help elect Mr. Isaacs

and Dr. Powell instead and he was the last candidate defeated.

### Half Million More Represented

Because comparatively little attention was given to the council race in the heat of the mayoralty campaign and less educational work in the use of P.R. was done than in former years, the number of invalid ballots remained disconcertingly high—276,329 or 12.6 per cent of all the ballots marked.

Apparently, however, the increased interest caused by the chance to elect minority representatives under P.R. balanced the ballots carelessly spoiled, for the valid votes for council actually exceeded the highest valid vote ever cast for aldermen under the old system.<sup>2</sup>

In effective votes, which are more important than mere valid votes, the new system showed immense superiority. As in the first P.R. election four years ago, nearly half a million more people helped elect candidates they voted for than had ever voted for successful candidates for aldermen under the old plan.

Fewer ballots became exhausted this time through being marked only for candidates with no chance of election, and the percentage of effective votes was therefore higher than it had been even in the previous P.R. elections. The figures are given on the next page.

A majority of those who cast valid ballots saw their very first choices elected, and this was true in every borough.

### Earlier Objections Removed

Features of earlier elections which caused criticism of P.R. were much reduced this fall.

The number of candidates was not ex-

<sup>1</sup>New York does not have a completely non-partisan P.R. ballot like the other P.R. cities. Party emblems and party rows or columns are ruled out, but if a candidate's nominating petition requests the designation of a party or independent body and the county committee or other authorized officers of the latter consent, the name of the party or body appears after his name on the ballot.

<sup>2</sup>The number was slightly less in proportion to the number voting for mayor, however, than it was in 1933.



cessive in any borough. There were 31 in Brooklyn, 20 each in Manhattan and Queens, 15 in the Bronx, and two in Richmond for a total of 88 compared with 100 regular candidates in 1939, and 232 in 1937.

The largest count, in Brooklyn, required only seven days and the final results in all boroughs were known by Wednesday evening of the week following election.

The cost was reduced again. Wages paid to the central counting staffs amounted to \$88,802, to extra election

clerks for the P.R. booths at the polls \$89,298. Printing, transportation, and supplies should not bring the total cost added by P.R. above \$250,000 or 13 cents for each valid vote. If the system were extended to the other offices voted for, there would be no primaries and a substantial net saving.

Racial and religious considerations played a part in the P.R. balloting as in all New York elections, but the transfers gave striking evidence that such considerations were not paramount. Paul J. Kern, president of the

| EFFECTIVE AND WASTED VOTES |  |   |                              |
|----------------------------|--|---|------------------------------|
|                            | <i>Votes<br/>That Helped<br/>Elect Winners</i> | <i>Votes<br/>That Counted<br/>Only for Losers<sup>a</sup></i> | <i>Total<br/>Valid Votes</i> |
| P.R. Council, 1941         | 1,603,368 (83%)                                | 325,600 (17%)   | 1,928,968                    |
| P.R. Council, 1939         | 1,255,148 (78%)                                | 351,957 (22%)   | 1,607,105                    |
| P.R. Council, 1937         | 1,507,791 (75%)                                | 505,310 (25%)   | 2,013,101                    |
| Aldermen, 1935             | 1,146,938 (67%)                                | 565,133 (33%)   | 1,712,071                    |
| Aldermen, 1933             | 1,044,882 (55%)                                | 849,928 (45%)   | 1,894,810                    |
| Aldermen, 1931             | 854,590 (65%)                                  | 454,704 (35%)   | 1,309,294                    |
| Aldermen, 1929             | 847,951 (63%)                                  | 505,769 (37%)   | 1,353,720                    |

<sup>a</sup>In the three P.R. elections this includes the ballots of the runner-up. The charter requires these to be transferred, in so far as they show any choices among the successful candidates who have not reached the full quota, to the continuing candidates next preferred by the voters. In the last two elections, however, this has not been done except in the Bronx, on the theory that it could make no difference in the candidates elected. For the sake of uniformity, therefore, none of the runner-up ballots have been counted here for winners though a great many of them were marked for winners. In the Bronx this year, for example, 32,235 ballots were added to the totals of the elected candidates by the transfer of the ballots of the last candidates defeated. This would have brought the effective total for the Bronx from 82 per cent up to 90 per cent of the valid vote.

| EFFECTIVE BALLOTS FOR COUNCIL, 1941 |                                      |   |                    |
|-------------------------------------|--------------------------------------|---|--------------------|
| <i>Borough</i>                      | <i>First Choices<br/>for Winners</i> | <i>Totals<br/>for Winners<sup>a</sup></i> | <i>Total Valid</i> |
| Manhattan                           | 257,907 (58%)                        | 369,293 (84%)                             | 441,358            |
| Bronx                               | 215,772 (55%)                        | 321,386 (82%)                             | 391,144            |
| Brooklyn                            | 391,880 (59%)                        | 568,120 (86%)                             | 662,064            |
| Queens                              | 215,280 (57%)                        | 307,691 (81%)                             | 379,236            |
| Richmond                            | 36,878 (67%)                         | 36,878 (67%)                              | 55,166             |
| City                                | 1,117,717                            | 1,603,368                                 | 1,928,968          |

<sup>a</sup>Not counting the votes transferred from the runner-up in the Bronx.

Municipal Civil Service Commission, cited examples in his account of the New York council election before the P.R. League's annual meeting on November 18 in St. Louis:

"When Tammany's Negro candidate, Stoute, was eliminated in Manhattan, for instance, Tammany's white Carroll received 16,380 of his next choices while Negro Rev. Powell obtained only 2,476 of Stoute's vote. Political factors were at least six times as effective in this case as racial.

"When a Jewish candidate, Ornstein, was counted out in Manhattan on the twelfth count, Nugent, an Irish American, received 3,912 of his votes and Stoute, a Negro, received 3,499, while Isaacs and Straus, two eminent candidates of the Jewish faith, received only 1,431 and 2,161 respectively."

#### **Another Attack on the Way**

In spite of the evidence that P.R. has once more justified itself and given the city a far more representative council than it could have secured in any other way, the Democratic organization has taken courage from the election of a Communist and the disappointment of many Republicans and Fusionists that they did not elect more members to launch another attempt at repeal.

Councilman Louis Cohen of the Bronx has introduced in the council the very same charter amendment that was voted down only last year by 782,768 votes to 565,879. This would provide for plurality election of 33 councilmen, one from each of the city's 23 very unequal senatorial districts and ten from certain boroughs at large pending a state reapportionment. The districts are such that the Democrats could count on almost a clean sweep of the council in "off-years" when no mayor is elected, and a much larger proportion than they have under P.R. at all times.

If passed by the council, the amendment would have to be approved by the Board of Estimate before going to the people unless it were put on the ballot by petition. In any case it cannot come to a vote before the regular fall election of 1942. The civic forces which have won and held P.R. in three successive votes are girding again for battle.

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#### **Other P. R. Elections**

Shorter accounts of the other seven P.R. elections held on November 4, including the first P.R. election of council and school committee in Cambridge, Massachusetts, will be carried in this department next month.

# Books in Review

Edited by ELSIE S. PARKER

**Employee Training in the Public Service.** A Report by the Committee on Employee Training in the Public Service, Milton Hall, Chairman. Chicago, Civil Service Assembly of the United States and Canada, 1941. xvi, 172 pp. \$2.50.

Interest in the training of public service employees today is an outgrowth of the application of modern management principles to the administration of public agencies.

How to organize, administer and evaluate a program, how to make the program functional and attractive to supervisor and employee, how to fit the training plan and organization into the the general administrative establishment—these were problems that immediately beset the proponents and officials in charge of training plans. The slowly growing literature was inadequate to supply the guideposts so urgently needed.

The report of the Committee on Employee Training in the Public Service of the Civil Service Assembly has bridged the gap to a large extent, bringing together under one cover a review of sound principles and methods for the guidance of those concerned with the training of employees. In doing so, it has done a signal service for all engaged in the field.

The text is not long, but it omits little. Well written, it presents in brief compact chapters the basic areas that compose the field of training. The responsibility of managerial and subordinate employees in the job of training is clearly delineated at the start and constant stress on this point is found throughout the text. Briefly describing the procedures and techniques used in ascertaining training

needs, the report proceeds systematically to a discussion of the problems involved in the preparation of teachers, the selection of training personnel, the organization of the training agency, and the place where training is to be engaged in. The administrative end is reviewed in some detail, for the variations in size of administrative units of government is quite large.

The selection and development of content provide the subject matter of another chapter. Details of best practice are discussed and emphasis placed on the functional nature of course content. Methods and techniques which have been utilized in adult education work and have been found effective for particular types of subject matter are catalogued, and guiding points in the selection of appropriate methods are included.

The chapter on evaluation of training is outstanding. The need for developing better tools of evaluation is stressed, so that "public service training all along the line may be improved, strengthened, and adapted to the changing needs of government and society."

The final chapter discusses the value of the central training unit. After reviewing possible criticisms against its establishment, the committee recommends its organization as part of the personnel office or as a separate coordinating unit.

This report should serve well as a manual and guide to those who are planning or are already engaged in training activities in the public service. It has particular value for the research worker in that it provides a quick view of the entire field and points up problems needing attention and solution.



For the training specialist in industry, it provides an up-to-date analysis and survey of the field of employee training.

JOHN J. FURIA

Director, Bureau of Training  
Municipal Civil Service Commission  
of New York City.

**Pillar to Post.** By Henry H. Curran. New York City, Charles Scribner's Sons, 1941. xxii, 387 pp. \$3.

There is not a dull page in this sprightly autobiography by Magistrate Curran, yet it is a veritable gold mine of political wisdom.

The story covers sixty odd years of Judge Curran's versatile career—as a student waiter at Yale, newspaper reporter for the old *Tribune*, publicity man, law clerk then lawyer, New York City alderman, major on the western front in 1918 in charge of an ammunition train, borough president of Manhattan, candidate for mayor, federal immigration commissioner, counsel to the City Club of New York, president of the Association Against the Prohibition Amendment—successfully turning the tables on a dry Senate Investigating Committee, labor arbitrator, magistrate, deputy mayor, and now chief magistrate of the City of New York.

Then too his avocations have included such variegated pursuits as those of amateur playwright, author and poet, crusader for noise abatement, linguistic reformer to whom the hybrid “and/or” and “contact”—used as a verb—are anathema.

Henry Curran has the human touch and the warm heart too frequently lacking in reform politicians. He was fortunate to be trained in the rough and tumble school of New York politics, but underneath the badinage, there is apparent a serious vein of idealism. He knows that it is a government of

men who make the laws work, and that therefore it is important to understand the men. More horse sense; less theory and red tape. No respecter of stuffed shirts, yet he believes in human dignity. Students of administration may well get pointers from him on how to get things done in government.

Throughout the book there runs the author's opposition to too much centralization and a passionate belief “that power must stay near the people, near the little home-rule roots of government.”

To any one allergic to the dry dust of much of our political writing, Major Curran's autobiography is prescribed as a most palatable diet.

SOPHIA A. OLMSTED

New York City

**City Manager Government in Portland, Maine.** By Edward F. Dow and Orren C. Hormell. Orono, University of Maine Studies, Bowdoin College, 1940. v, 119 pp.

This study is one of the fifty made under the sponsorship of the Social Science Research Council's Committee on Public Administration and used as source material for the recent volume, *City Manager Government in the United States*.<sup>1</sup> Its authors need no introduction to readers of the REVIEW, both of them having prepared articles for it on subjects pertaining to local and state government in Maine.

The authors' conclusions on seventeen years' operation of the manager plan in Portland are strikingly similar to those reached in a number of the cities studied. Chief criticisms of the plan are a gradual dying down of citizen interest during the years since the

<sup>1</sup>See “The Council-Manager Plan Passes Its Exams,” by Richard S. Childs. NATIONAL MUNICIPAL REVIEW, July 1941, pp. 443-447.

plan was adopted and lack of a clearly defined distinction between the functions of the council and those of the manager. The study concludes, however, with a very favorable picture of accomplishments under the manager plan, namely, financial stability and the supplying of more services at no greater expense because of general efficiency of operation and continuity of policy—things not to be taken lightly in such a difficult period as the past two decades.

R. M. W.

**Los Angeles: Preface to a Master Plan.** Edited by George W. Robbins and L. Deming Tilton. Los Angeles, The Pacific Southwest Academy, 1941. xvi, 303 pp. Photographs, charts, maps. Cloth bound \$3. Paper bound \$2.

In his introduction to this volume C. A. Dykstra, President of the University of Wisconsin, sums up its aims in these words: "In our dreams it [the city of the future] is something beautiful, with a plan of growth and a contented and happy people. It is a balanced structure, full of opportunities for work and play. . . . Los Angeles, with its youthful vitality and because of its minimum of encumbrance from the past, should be one of our first cities to point the way to this future—the city beautiful. It has all the elements in natural setting and resources, physical and human. There remains only the vital surge of civic will-to-do which comes with the realization of a worthy object. It is to the unfoldment of this objective and the demonstration of the practical means of achieving it through foresight that this book is dedicated."

Twenty-one authorities in the fields covered by the book—land use, housing, zoning, industrial growth, business decentralization, traffic transportation,

etc.—discuss these problems as they apply to Los Angeles.

The book is a very readable discussion which should interest all concerned with the future of metropolitan areas. Its publication was made possible by a grant from the John Randolph Haynes and Dora Haynes Foundation of Los Angeles.

## Additional Books and Reports Received<sup>1</sup>

### *Accounting*

**Municipal Accounting Statements** (revised edition). Chicago, National Committee on Municipal Accounting, 1941. ix, 206 pp. \$2.

### *Budgeting*

**A Budget Manual for Wisconsin Cities and Villages** (revised). Madison, League of Wisconsin Municipalities, 1941. 29 pp. mimeo.

### *Democracy*

**Advance Through Crisis.** New York City, Council for Democracy, 1941. 40 pp. 10 cents.

**Freedom of the People.** New York City, American Association for Adult Education, 1941. 20 pp. 10 cents.

**Winning the Peace.** New York City, American Association for Adult Education, 1941. 20 pp. 10 cents.

### *Employment — Wages and Hours*

**Effects of the Defense Program on Prices, Wages, and Profits.** By Meyer Jacobstein and Harold C. Moulton. Washington, D. C., The Brookings Institution, 1941. vii, 43 pp. 25 cents.

**How to Keep Wage and Hour Records** under the Fair Labor Standards Act of 1938. Washington, D. C., U. S. Government Printing Office, 1941, 31 pp.

<sup>1</sup>See also "Research Bureau Reports Received," page 712.

**Public Employment in the United States: 1941.** With Special Attention to State and Local Government. Prepared under the Supervision of C. E. Rightor, Chief Statistician for State and Local Government. Washington, D. C., Bureau of the Census, 1941. viii, 78 pp.

**Wage and Hour Manual 1941 Edition.** Washington, D. C., The Bureau of National Affairs, Inc., 1941. 1120 pp. \$5.

**Wage-Hour Records.** What Records to Keep and How to Keep Them. Text of Regulations Issued by the Administrator of the Wage and Hour Division with Official Explanatory Bulletin and Sample Record Forms. Washington, D. C., The Bureau of National Affairs, Inc., 141. 23 pp. \$1.

### *Housing and Blighted Areas*

**Ailing City Areas.** Economic Study of Thirteen Depressed Districts in Manhattan. By Sylvia W. Stark in co-operation with the Subcommittee on Research, Investment Housing Committee. New York City, Citizens' Housing Council of New York, 1941. 44 pp. mimeo. maps, charts. \$1.

**Greenbelt.** By O. Kline Fulmer. Introduction by Lewis Mumford. Washington, D. C., American Council on Public Affairs, 1941. 46 pp. \$1.

**Housing Yearbook 1941.** Edited by Coleman Woodbury and Edmond H. Hoben. Chicago, National Association of Housing Officials, 1941. vii, 405 pp. \$3.

**Report of Committee on the Law of Housing from the Point of View of the Investor.** Washington, D. C., American Bar Association, Municipal Law Section, 1941. 23 pp.

### *Local Government*

**Fifth Annual Survey of Local Government.** Nashville, Tennessee Tax-

payers Association, 1941. 147 pp. mimeo.

**Municipal Administration in Logan City, Utah.** By G. Homer Durham. Logan City, Junior Chamber of Commerce, 1941. 38 pp.

### *National Defense*

**Guide to Library Facilities for National Defense** (revised edition). Edited by Carl L. Cannon for the Joint Committee on Library Research Facilities for National Emergency. Chicago, American Library Association, 1941. 448 pp. mimeo.

**National Defense Consumer Information Centers.** Washington, D. C., Office of Price Administration, Consumer Division, 1941. 8 pp. mimeo.

### *Police*

**The New Rochelle Police Survey.** By Bruce Smith. New York City, Institute of Public Administration, 1941. 53 pp. 50 cents.

### *Public Health and Welfare*

**Community Organization for Health Education.** A Committee Report Presented by the Committee on Community Organization for Health Education of the American Public Health Association to the Public Health Education Section and the Health Officers Section. New York City, American Public Health Association, 1941. ix, 120 pp.

**The History of Public Welfare in New York State 1867-1940.** By David M. Schneider and Albert Deutsch. Chicago, University of Chicago Press, 1941. xix, 410 pp. \$3.50.

**Twelve Months of Health Defense.** Containing the Activities of the Health Department of the City of New York for 1940 with Comparative Vital Statistics Tables and a Review of Developments since 1934. New York City, Department of Health, 1941. 283 pp. \$1.



# NATIONAL MUNICIPAL REVIEW

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*Editorial*

## Shall We Tax Government Bonds?

*"Yes"—Edward H. Foley, Jr.*

*"No"—Henry Epstein*

## Wanted: A New Road to Home Rule

*Barnet Hodes*

## Comparative Tax Rates for Cities —1941

*Rosina K. Mohaupt*

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## New York's Third P. R. Election

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